

***United States Court of Appeals  
for the Second Circuit***

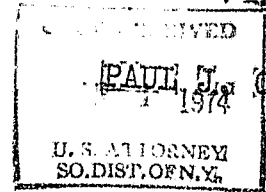


**APPENDIX**



# 74-1027

B.  
P/S



In The  
**United States Court of Appeals**  
For The Second Circuit

UNITED STATES OF AMERICA,

*Appellee,*

*vs.*

MILTON PARNES and BARBARA PARNES,

*Appellants.*

*On Appeal from Judgment of the United States District  
Court for the Southern District of New York*

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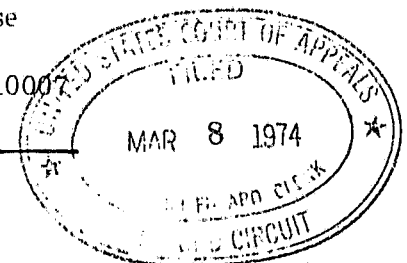
## APPENDIX

Volume II, pp. 251a - 500a

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2 THE WITNESS: I just wanted to refresh my memory  
3 on my troubles.

4 Out of a clear sky, I get an indictment, "You have  
5 understated your income tax, some very small amount, \$10,  
6 \$15 or \$20,000 on three years."

7 BY MR. COHN:

8 Q Just nothing?

9 A It is nothing.

10 THE COURT: No comments.

11 A Well, now, Mr. Cohn.

12 THE COURT: Now don't you get into that. I will  
13 tell him that but don't you tell him.

14 Tell us what you plead guilty to, if you remember.

15 THE WITNESS: First of all, I had no money for  
16 a lawyer.

17 THE COURT: That is not answering the question.

18 What did you plead guilty to?

19 THE WITNESS: I plead guilty to the fact that I  
20 agreed with the Internal Revenue that they accused me of  
21 understating my income over a period of three years in the  
22 amount of, I think \$18, or \$20,000.

23 THE COURT: Do you remember what years?

24 THE WITNESS: No, I don't remember what years.

25 It really didn't matter at that time.

1 ebbr

Goberman-cross

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2 THE COURT: All right.

3 Go ahead.

4 BY MR. COHN:

5 Q It didn't matter?

6 A It didn't matter what years. I was indicted and  
7 threatened to be sent to jail.

8 Q You were threatened to be sent to jail?

9 A When you are indicted and arrested there's always  
10 a chance you are going to go to jail.11 Q And you did everything you could to avoid that  
12 chance, didn't you not?

13 A I didn't.

14 THE COURT: Now please don't put words in his  
15 mouth.

16 MR. COHN: I will tie that right in.

17 THE COURT: Let us get this straight.

18 BY THE COURT:

19 Q You say the best of your recollection is that  
20 you pled guilty to the charges the government made in  
21 understating your income for three years?

22 A Yes, sir.

23 THE COURT: All right. Now we have got that.

24 BY MR. COHN:

25 Q Now, when did you come up for sentencing on

1 ebbr

Goberman-cross

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2 those charges?

3 A I don't remember the exact date.

4 Q Can you give us an approximate date?

5 A I think it was within the same year.

6 THE COURT: This is 1971, sir?

7 THE WITNESS: I believe so.

8 THE COURT: You think so?

9 THE WITNESS: Yes.

10 MR. COHN: May I suggest to the witness respect-  
11 fully that it was January 4, 1973?

12 THE WITNESS: '73?

13 THE COURT: Well, he won't quarrel with it.

14 THE WITNESS: It doesn't matter. I will accept  
15 that.

16 MR. MC GUIRE: That's conceded.

17 THE COURT: Okay.

18 BY MR. COHN:

19 Q And at the time you came up for sentence on those  
20 charges, were you cooperating with the government in this  
21 case, in the Parness case?

22 MR. MC GUIRE: I object to the form of the question.

23 THE COURT: I am going to sustain the objection  
24 to the form of the question. I agree. But I think you can  
25 ask Mr. Goberman whether at that time he had had any

1 ebbr

Goberman-cross

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2 conversations with anybody in the government with respect  
3 to this case.

4 Q At the time you came up for sentence, on your in-  
5 come tax case, had you had any conversations with anyone  
6 in the prosecution, in the government, concerning Mr. and  
7 Mrs. Parness? Yes or no.

8 A I was subpoenaed to a grand jury some time before  
9 that, six or eight months before that, Mr. Cohn.

10 Q And in addition to your being subpoenaed before  
11 a grand jury, had you had any conversations about Mr. and  
12 Mrs. Parness with any representatives of the Department of  
13 Justice, Mr. Campbell --

14 A I appeared before a grand jury.

15 THE COURT: He is asking you apart from that  
16 whether you had conversations with any government lawyers.

17 A Well, there was a government appointed lawyer that  
18 represented me.

19 THE COURT: He isn't talking about that either. He  
20 is asking you whether you had any conversations with any-  
21 body from the Department of Justice or the United States  
22 Attorney's office.

23 THE WITNESS: Oh, yes, of course, sir. They  
24 subpoenaed my records.

25 THE COURT: So you had had conversations?

1 ebbr

Goberman-cross

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2 THE WITNESS: Yes, sir.

3 Q Mr. Goberman, you had had conversations about  
4 Mr. and Mrs. Parness, hadn't you?

5 A (No response.)

6 Q And you had indicated you were going to be a witness  
7 in a criminal case against Mr. and Mrs. Parness, had you  
8 not?

9 A I don't think I can accept the way you phrased that.

10 THE COURT: Well, phrase it your own way.  
11 Tell us if you did have a discussion, did they ask you to be  
12 a witness, or did you say you would be a witness?13 THE WITNESS: Well, let me say, they had to sub-  
14 poena me to get me here on Monday. I was subpoenaed and  
15 therefore I am here.16 Q Now, Mr. Goberman, prior to the date of  
17 your sentence, and prior to this three-count indictment,  
18 had an additional criminal charge of six counts be filed  
19 against you?

20 A That is not correct, sir.

21 Q Specifically, on November 20th, 1972, were you  
22 named by the government as a defendant in a six-count  
23 criminal information charging further income tax evasion  
24 in the United District Court for the Eastern District of  
25 Pennsylvania?



1 ebbr

Goberman-cross

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2 THE COURT: He is asking you were you indicted  
3 over there in Pennsylvania under this indictment?

4 MR. COHN: It was a criminal information.

5 THE WITNESS: It's not an indictment. It was  
6 an information. I was not indicted. I know what this  
7 is. I have seen this.

8 Q Oh, you have?

9 A Yes.

10 Q You are named as a defendant, aren't you?

11 A I beg your pardon?

12 Q You are named as a defendant?

13 A What does information mean, Mr. Cohn?

14 THE COURT: That's a charge. It's all an indict-  
15 ment is, and I told the jury that, that an indictment is  
16 merely a charge and so is an information.

17 THE WITNESS: Then I would like to explain this,  
18 if I may.

19 THE COURT: Were those charges made, sir?

20 THE WITNESS: This information was brought to  
21 the same trial, yes, sir.

22 Q All right. Now --

23 MR. COHN: May I have just a second, please, your  
24 Honor?

25 THE COURT: Of course.

1 ebbr

Goberman-cross

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2 (Pause.)

3 Q Had your attorney explained to you before you en-  
4 tered a plea to the three-count indictment that it carried --

5 THE COURT: I understood him to say he didn't have  
6 an attorney.

7 THE WITNESS: Finally an attorney was appointed  
8 for me.

9 THE COURT: An attorney was appointed and you  
10 were present when this happened?

11 MR. MC GUIRE: It seems to me, your Honor,  
12 that this question is asking for conversations between  
13 Mr. Goberman and --

14 THE COURT: I haven't heard the question.

15 Q Did your attorney explain to you, prior to your  
16 plea of guilty in this case, that by pleading guilty you  
17 stood a chance of going to jail?

18 A Not in those -- I stood a chance of going to  
19 jail?

20 Q Yes. Maybe I can put it this way: Did your  
21 attorney explain to you that the section to which you  
22 pleaded guilty carried a maximum term of imprisonment?

23 THE COURT: Let us not get into all of that.

24 THE WITNESS: I believe I can answer Mr. Cohn's  
25 question.

1 ebb

Goberman-cross

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2 THE COURT: Well, I think I would put it another  
3 way. When you appeared with your attorney before a  
4 Judge and you did plead guilty, did the Judge tell you  
5 that the statute provided for a possible sentence in  
6 prison?

7 THE WITNESS: I don't remember. I assumed if  
8 it was a criminal offense certainly.

9 THE COURT: You assumed that but you don't remember  
10 him saying that. Usually a Judge does tell you before  
11 you plead guilty what the penalties are provided for in  
12 the statute.

13 THE WITNESS: I don't remember that he told me  
14 what the penalty was.

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jqbr 1

Goberman-cross

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Q Now, at the time you were faced with the disposition of the criminal indictment, three counts, the criminal information, six counts, did you make a deal with the government whereby in return for your testimony in this case you would not go to jail?

MR. MC GUIRE: Objection. This witness already testified before a grand jury.

THE COURT: He wants to answer it.

THE WITNESS: If you want me to answer it, the answer is no. I don't know what you mean by a deal.

THE COURT: You say you didn't make a deal?

THE WITNESS: No.

Q Mr. Goberman, did you enter into a formal arrangement with the government which tied the judge's hands and made it impossible --

THE COURT: I am going to sustain the objection to that question as purely rhetorical. If you want to ask him about what conversations he might have had with anybody in connection with this I will let you do that, if he remembers.

Q Did you enter into a formal plea bargaining agreement with the United States Department of Justice which was presented to Federal Court on December 7, 1972?

A It is a little technical for me.

jqbr 2

Goberman-cross

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1  
2 THE COURT: What he means is did you enter into an  
3 arrangement with the government in connection with your  
4 plea which was presented to the judge at the time you were  
5 sentenced?

6 THE WITNESS: You mean pleading guilty?

7 THE COURT: At the time you were sentenced, yes.

8 THE WITNESS: I wouldlike to have the privilege  
9 of explaining what happened.

10 THE COURT: That is what he is trying to get at.

11 THE WITNESS: Not in the form of the question.

12 THE COURT: Will you let him explain what hap-  
13 pened?

14 MR. COHN: Anything, your Honor.

15 THE COURT: Tell us what happened in your own  
16 words.

17 THE WITNESS: I received the indictment and I had no  
18 attorney. I felt that the indictment was wrong. I felt  
19 that my records could prove that the Internal Revenue was  
20 wrong.

21 I tried to hire an attorney without money  
22 and finally I had to prevail upon the federal magistrate  
23 in Philadelphia that I had no attorney and no money and  
24 he appointed an attorney. I think this whole case  
25 took -- the whole situation took several months.

1 jqbr 3 Goberman-cross

2 I met with this attorney twice. He was too busy to give  
3 me the time to defend me. Everything else was done over the  
4 telephone. He said to me "I want you to plead guilty"  
5 and I said I don't want to plead guilty because I think  
6 I have proof that we can win this case. I think that  
7 Internal Revenue is wrong. He said that I want to get this  
8 out of the way, I want you to plead guilty. By that time  
9 it really didn't matter because everything -- my whole  
10 world had fallen apart anyway. It didn't make too much  
11 difference. I just gave up, I stopped fighting the whole  
12 situation.

13 He said if that is what you want me to do,  
14 I will do it. I don't have much more to live for anyway,  
15 let's go ahead.

16 THE COURT: Let us stop this.

17 THE WITNESS: That is about what happened and  
18 those were my feelings at that time.

19 THE COURT What Mr. Cohn is really trying to  
20 ask you is whether while all this was going on were you having  
21 any conversations with any of these government people about this  
22 case?

23 THE WITNESS: I don't remember.

24 THE COURT: During this period you are talking  
25 about.

jqbr 4

Goberman-cross

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THE WITNESS: I don't remember if I did during that period or not.

Q Were you present in court in the Eastern District of Pennsylvania on December 7, 1972 at the time you entered a plea of guilty to the criminal indictment?

A Was I there?

Q Yes.

A I don't remember the date. I know I entered a plea of guilty.

Q You were physically present when you entered it?

A Yes.

Q Do you remember Richard A. Elliott?

A He was my court appointed attorney.

Q You were standing there next to Mr. Elliott when you were up before the Judge?

A Yes, sir.

Q Did you hear what Mr. Elliott said to the Judge?

A Part of it.

Q Did you hear that part in which Mr. Elliott in asking the Judge to accept the plea stated that you were actively cooperating with the government in respect to certain transactions that will result in the trial of the other persons in another district and such cooperation has been going on for quite some time?

1 jqbr 5

Goberman-cross

2 A I don't remember hearing him say that,  
3 Mr. Cohn. I am not denying that he said it. I don't  
4 remember hearing him say it.

5 MR. COHN: May I have this marked, please.

6 (Defendants' Exhibit B was marked for  
7 identification.)

8 Q Would you please look at Defendants' Exhibit B for  
9 identification, look at the front of it, read page 9 and see  
10 whether it refreshes your recollection as to your presence  
11 and hearing of your attorney Mr. Elliott making that state-  
12 ment to the Court?

13 A Is this the same statement you just read to me?

14 Q Yes.

15 A I don't recall.

16 Q Would you read the first, please.

17 A You want me to read this out loud?

18 Q Read it to yourself and see if it refreshes your  
19 recollection.

20 A Yes, sir, I read this.

21 Q Does that refresh your recollection?

22 A Some of it does, the fact the Court wants to  
23 know about my health and I told them I had several  
24 heart attacks and that my doctor -- Dr. Solomon was my  
25 physician since 1930.

xx



1 jqbr 6

Goberman-cross

2 Q Before you turn the page would you tell us whether  
3 it refreshes your recollection that Mr. Elliott said in sub-  
4 stance --

5 A I read here what Mr. Elliott said. I don't  
6 recall him saying that.

7 Q You don't recall, as you sit on this witness stand,  
8 Mr. Elliott saying anything to the Judge about your  
9 having cooperated and having done so for a long time with the  
10 government in a case in another district which was going to  
11 result in a trial of certain persons?

12 A I don't recall him saying that. If I did I would  
13 tell you so.

14 Q Do you recall it being said at any point in the  
15 proceedings?

16 A I do not.

17 Q Does the page you are looking at right now refresh  
18 your recollection that you were participating in the  
19 colloquy with the judge right at that time?

20 A In the what?

21 THE COURT: That is much too complicated.

22 Do you have any doubt that you were there with this  
23 lawyer before the judge?

24 THE WITNESS: I was there.

25 THE COURT: You were there; all right.

1 jqbr 7

Goberman-cross

2 THE WITNESS: Possibly not in spirit but in body.

3 Q In body or spirit was the case in which you were  
4 cooperating with the Justice Department which was to result  
5 in a trial in another district in this case?

6 MR. MC GUIRE: I object to the form..

7 THE COURT: He doesn't know what the lawyer is saying.  
8 I have to sustain the objection to that question.

9 Q Did you ask your lawyer to obtain for you a  
10 suspended sentence from federal court Pennsylvania using as one  
11 of the grounds your cooperation with the government in  
12 this case?

13 A No, sir.

14 Q This is the first you hear of it?

15 A I am not saying it is the first. I did not  
16 ask him. I wanted to fight this case. I could have  
17 beaten this case.

18 Q Did you enter into a plea bargaining agreement  
19 whereby it became --

20 THE COURT: We have been through this.

21 MR. COHN: We have had absolutely no answer.

22 THE COURT: I think the record has to stand  
23 as it is. He doesn't recall his lawyer saying this.  
24 I don't think there is any point talking about plea bar-  
25 gaining arrangements. I told you you could ask him

1 jqbr 8

Goberman-cross

2 whether he had any conversations with anybody representing  
3 the government or any Judge with respect to this sentence  
4 under which he would agree to cooperate with the government  
5 in another case and if that case was this case.

6 Did you ever say that to anybody or did anybody  
7 say that to you?

8 THE WITNESS: It doesn't sound like my statement.

9 THE COURT: Well, it is my statement.

10 The question is, did you talk to anybody or did  
11 anybody from the government talk to you that in this  
12 Philadelphia or Pennsylvania indictment it might be arranged  
13 that if you were to plead guilty you might not get a prison  
14 sentence in return for your cooperating in this case? Did  
15 anybody say that to you or did you say that to anybody  
16 at all?

17 THE WITNESS: The term that you use, sir --

18 THE COURT: Never mind the term I use, it is the  
19 substance.

20 Did you ever talk to anybody about making such an  
21 arrangement?

22 THE WITNESS: No, sir.

23 Q Mr. Goberman, were you present in federal court  
24 when a federal judge, Judge Becker, said to you under a  
25 plea bargain that's been made, Mr. Goberman, I cannot send

1 jqbr 9 Goberman-cross

2 you to jail. The most I can do is give you four years  
3 probation.

4 A I don't remember the exact words.

5 Q Would you please look at page 6 of this transcript  
6 and see if you see your saying something and then you see the  
7 Judge addressing you and see if that refreshes your recol-  
8 lection.

9 A Yes, sir, I hope it does, sir.

10 THE COURT: Don't hope it does, just look at it.

11 MR. COHN: It is at the bottom of the page.

12 THE WITNESS: I am trying to accommodate --

13 THE COURT: You are not here to accommodate,  
14 you are here to tell the truth to the best of your recol-  
15 lection.

16 Do you recall in that court proceeding a Judge  
17 saying something like that?

18 THE WITNESS: I would say in the emotional  
19 state that I was in at that time at the trial --

20 THE COURT: Never mind, do you recall it?

21 THE WITNESS: I don't recall a lot of this.

22 Q The specific question and this is the last time  
23 I will ask, I promise you, your Honor, having read that  
24 transcript, on the day of your plea of guilty do you now  
25 recall the Judge saying --

jqbr 10

Goberman-cross

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1           A     I do not recall the Judge saying what apparently  
2                 he said before me. I don't recall him saying this.

3           Q     Mr. Goberman, for four hours, for four hours or  
4                 five hours on direct examination you were giving us detailed  
5                 conversations. Are you telling us now that on a day you were  
6                 pleading guilty to criminal charges you don't remember  
7                 the Judge advising you of what might happen to you?

8                 MR. MC GUIRE:     Objected to as argumentative.

9                 THE COURT:   Sustained.

10           Q     By the way, the same day that this plea was  
11                 accepted on the criminal indictment, the 8 charges in the  
12                 criminal information were dismissed on the motion of the  
13                 government, were they not?

14           A     I don't know what you mean by that.

15           Q     Is the criminal information naming you in six  
16                 counts still outstanding against you?

17           A     Are they still outstanding against me?

18           Q     Yes.

19           A     No, I was told by the lawyer that they would be --  
20                 to use his expression dropped or washed out or dropped,  
21                 something like that.

22           Q     All you know is your lawyer saying that they  
23                 are going to be dropped or washed out, that is the last you  
24                 heard of it?

*Original*  
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jqbr

Goberman-cross

1  
2 A They are going to be dropped because I don't  
3 think that the government has a good case against you there.

4 Q Was it because you were cooperating with the  
5 government in this case?

6 A No, Mr. Cohn.

7 Q Mr. Goberman, do you know Mr. Campbell of the Justi-  
8 Department?

9 A Yes, I do.

10 Q Do you know Agent Glaze of Internal Revenue Ser-  
11 vice?

12 A Yes, I do.

13 Q Have you ever had occasion to talk to Mr. Camp-  
14 bell of the Justice Department about this case?

15 A About this case?

16 Q This case, why we are all here.

17 A You mean Mr. Campbell of the Strike Force in  
18 Washington?

19 Q Do you have any doubt as to which Mr. Campbell  
20 I am talking about?

21 THE COURT: He is trying to help you.

22 THE WITNESS: There are two Mr. Campbells.

23 THE COURT: This is the Mr. Campbell from the  
24 Department of Justice?

25 THE WITNESS: I knew him from being from the

jqbr Goberman-cross

Strike Force.

THE COURT: That is part of the prosecuting attorneys.

Q Do you know two Mr. Campbells working on this case?

A No, I just -- I know of one Mr. Campbell.

Q Talking about that one Mr. Campbell working on this case when did you first talk to him about Mr. and Mrs. Parness?

A I don't remember the date but it was after I was subpoenaed to bring records of the hotel and so forth and so on.

Q Do you know one of the agents working on this case named Agent Glaze of Internal Revenue Service?

A Is he sitting over there in this room?

Q He is sitting here?

A Back there on the left side.

Q The gentleman with the mustache?

A No.

Q Have you ever talked to Agent Glaze about Mr. and Mrs. Parness?

A Sure.

Q For how long have you been talking to Agent Glaze? How long do you know him, by the way? A long time?

jqbr

Goberman-cross

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1  
2 A I know him since the first time he tried to put  
3 me in jail.

4 Q He is the one who made the income tax case against  
5 you?

6 A Yes, I hated him for it.

7 Q And then you made up with him?

8 A No, I still hate him.

9 Q During the period of time you were hating him --

10 A I hate Mr. Campbell and I hate Mr. Mc Guire because  
11 these people will try to put me in jail.

12 Q You haven't gone to jail?

13 A I haven't gone to jail as yet.

14 Q Do you hate the prosecutor who got up in federal  
15 court and told the Judge that the Judge could not send you  
16 to jail as a result of an arrangement made with you?

17 A I don't know who you are referring to.

18 Q You don't remember who your prosecutor was in the  
19 tax case?

20 A You mean in Philadelphia?

21 Q Yes.

22 A I am sorry, I can't give you a direct answer.

23 THE COURT: Let us slow down here.

24 THE WITNESS: He is getting me excited.

25 THE COURT: You just relax. Don't let him get you



jqbr

Goberman-cross

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excited.

What is your question, Mr. Cohn?

Q Do you know a man by the name of Joel Salomsky?

A No, sir.

Q You don't know the name of your prosecutor in the tax case? The answer is no and I can give you the reason why.

Q I really don't care to know.

I am going to show you once more page 5, the court transcript and ask if you were present in federal court at the time the government got up and announced to the court it had agreed to dismiss the six counts of the criminal information against you? Look toward the bottom of the page.

A Mr. Salomsky is named here?

Q Yes.

Would you please read it before you tell us.

THE COURT: He is asking you to read on page 5 whether there is a statement that the government agreed to dismiss the five counts.

Where is that?

MR. COHN: Toward the bottom and it goes on to page 6.

jqbr

Goberman-cross

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THE COURT: Read it to yourself.)

A Yes, sir.

Q Does that refresh your recollection that you were there when the government announced it had agreed to dismiss these charges?

A I was there but I don't remember a Mr. Salomsky.

THE COURT: Do you remember anybody --

THE WITNESS: Mr. Mikowsky was the prosecuting attorney. I don't remember Mr. Salomsky.

MR. COHN: Are we going to stop pretty soon?

THE COURT: Yes, we are.

MR. COHN: Would you like me to go a few more minutes?

THE COURT: Let us try a few more minutes.

Q Mr. Goberman, when did you start cooperating with the prosecution with reference to a case against Mr. and Mrs. Parness?

A I never cooperated --

MR. MC GUIRE: I object. I objected to this before.

THE COURT: I sustained that objection before. I will ask you not to ask that question. I told you that you can ask him when he first talked to any federal agent about the case against Mr. Parness and who the agent

jqbr

Goberman-cross

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was and when and you can follow through and develop that.

MR. COHN: Yes, sir, your honor. I will do.

Q When did you first talk about Mr. and Mrs. Parness to any agent of the federal government?

A When I was subpoenaed to do so.

THE COURT: When was that?

THE WITNESS: I don't have the date in front of me. It was a subpoena that I received.

THE COURT: Was that this year, last year?

THE WITNESS: That was prior to the period that Mr. Cohn is talking about.

THE COURT: Prior to the time you were in Philadelphia?

THE WITNESS: Yes, sir. That was seven or eight months prior to the time of this income tax thing.

Q So seven or eight months prior to the time you were given probation rather than jail in the income tax case --

THE COURT: Please don't make a summation. It is seven or eight months before your appearances in the Pennsylvania federal court in connection with these indictments or information?

THE WITNESS: Yes, sir.

THE COURT: Who did you speak to and about when?

THE WITNESS: I received a summons --

jqbr

Goberman-cross

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THE COURT: Subpoena?

THE WITNESS: Yes, a subpoena from an attorney by the name of Pollack to appear in Brooklyn and to bring all records of the hotel, et cetera. I did appear. I had no records and so forth. Right after that I believe I received a subpoena from Washington from Mr. Campbell that we were talking about.

Q Mr. Campbell?

A Yes, sir.

Q When you got the subpoena did that result in a meeting you had with Mr. Campbell?

A Being what?

Q After you received the subpoena did you have occasion to meet Mr. Campbell?

A Yes, I followed the instructions on the subpoena.

Q Did you meet Mr. Campbell?

A Did I meet Mr. Campbell?

Q Yes.

A Yes, of course I met him.

Q About when was that? Was that approximately six months prior to the disposition of the charges against you in Pennsylvania?

A I would think so, yes. It sounds about right. I met him in New York here at the grand jury.

jqbr

Goberman-cross

Q Did you speak to him outside of the grand jury?

A After that I spoke to him, yes.

Q On how many occasions between the time you met him on that day and the time you were sentenced in federal court approximately?

A I would say -- and this figure is clear in my mind because I was asked to come to Washington by Mr. Campbell on about 7 occasions and I did and I am cross at Mr. Campbell because he never paid me my expenses.

THE COURT: Don't be cross about Mr. Campbell.

THE WITNESS: 7 times because he didn't pay me the travel expenses for the 7 times I went to Washington and I am still trying to get it.

Q And the government is keeping this money from you?

A I forgot to fill out a form the first time and I never got paid.

THE COURT: I am afraid to tell you what happens to me when I go to Washington and the forms I have to fill out.

THE WITNESS: Well, that is it.

Q On these 7 occasions, about how much time did you spend with Mr. Campbell?

A About an hour or so in the office. I don't remember.

jqbr

Goberman-cross

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1  
2 Q On each occasion, is that an approximation?

3 A I beg your pardon?

4 Q About an hour or so on each occasion?

5 A Maybe two hours.

6 Q Did you talk about Mr. and Mrs. Parness at all?

7 A Yes. I didn't know she was Mrs. Parness.

8 Q You didn't know they were married?

9 A Mrs. Parness and Barbie.

10 Q You talked about Mr. Parness and Barbie. Who  
11 was present besides Mr. Campbell at these interviews?

12 A At times his assistant, a fellow by the name of  
13 Friedman.

14 Q Did there come a time when you met Mr. Dowd,  
15 the gentleman seated here?

16 A I met him recently and we have been fighting since  
17 the first day I met him.

18 Q Mr. Goberman, please answer the questions,  
19 please.

20 A Yes, sir.

21 Q Was Mr. Friedman present on all occasions when  
22 you talked to Mr. Campbell?

23 A Just on several occasions.

24 Q Did Mr. Campbell or Mr. Friedman take any notes  
25 during those occasions?

jqbr

Goberman-cross

234

1 A I don't think so.

2 Q Do you have a recollection?

3 A I don't think they took notes. You mean the  
4 stenographer taking notes?

5 Q Did they take any notes themselves on a pad of  
6 paper, to your observation?

7 A Well, I would say they were doodling quite a  
8 bit.

9 THE COURT: Doodling?

10 THE WITNESS: Yes, a yellow pad and doodling.  
11 They didn't take notes, I don't believe.

12 Q Did there come a time when you discussed your criminal  
13 problems in Philadelphia with Mr. Campbell?

14 A I might have mentioned something to him about it,  
15 yes.

16 Q Would you tell us that conversation?

17 A I said I might have, I am not sure so I can't tell.  
18 you about the conversation because I doubt very much  
19 if I did but still, on the other hand, I might have. I am  
20 not sure, Mr. Cohn.

21 Q Did you discuss your criminal troubles in  
22 Philadelphia with Mr- Campbell at the same time you were  
23 talking about making a case against Mr. and Mrs. Parness?  
24  
25

jqbr

Goberman-cross

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THE COURT: Change the form of that question.

THE WITNESS: I don't know what you are driving at but it is dawning on me.

Q Then all my labors are not in vain.

A I beg your pardon. I believe I understand him now.

Q If it is dawning on you, may I try this:

Didn't your lawyer, Mr. Elliott, reach an agreement with the prosecution that you would be a witness in this case and that you would not be sent to jail because of your own troubles?

A If he did I knew nothing about it. I cannot accept that.

Q Did he ever tell you that he had made such arrangements with the government?

A He said you are going down and plead guilty and I believe I can get you off on a suspended sentence and that was that.

Q The last question I hope for today is:

You were not present and you do not recall being present in federal court on that date when Mr. Elliott stood up and said "Your Honor, Mr. Goberman" --

THE COURT: He didn't say that. I sustained the objection to that. He said he didn't hear it.



jqbr

Goberman-cross

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Q You were standing next to Mr. Elliott --

A I was possibly 1,000 miles away from him although I was standing next to him.

Q You did not hear Mr. Elliott say "Mr. Goberman has been actively cooperating with the government in respect of certain transactions that will result in the trial of other persons in another district and this cooperation has been ongoing for quite some time?"

A I did not hear him say that and I never told him to say that.

THE COURT: All right.

Ladies and gentlemen, you recall I told you that we are going to get tomorrow off because of the engagement of one of the lawyers. I hope that gives you a chance to do a lot of the things I believe you want to do. We don't believe it will lengthen the trial any more.

We will meet Monday morning at 10 o'clock sharp. I have a calendar but I will break my neck and be through with it by 10 o'clock.

We will be here Monday morning by 10 o'clock sharp. Please remember not to discuss this case with anyone at all.

I hope you have a nice weekend.

JUROR NO. 12: I am trying to hear what is

jqbr

going on over here but there are distractions over here.

THE COURT: Any time you have trouble hearing raise your hand, Mr. Evans, and we will see what we can do about it.

Thank you very much.

(Jury left the courtroom.)

MR. COHN: In all the excitement I wanted to offer in evidence --

THE COURT: I will let you mark it for identification. I am not prepared to receive it in evidence because I don't think it refreshed the witness' recollection. It should be marked for identification. Would you mark that for identification.

MR. COHN: Then I will have to call Elliott to come in.

THE COURT: This has been marked Defendants' Exhibit B already.

MR. COHN: Will your Honor think over the weekend what he will admit it at this stage?

MR. MC GUIRE: I won't object to it.

THE COURT: If you don't object, I will receive it.

MR. MC GUIRE: Let me see it first.

THE COURT: Why don't you take a look at it

jqbr

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and I will rule on Monday. On those minutes, this is the time  
to look at those minutes.

You are excused until Monday morning at  
10 o'clock, sir.

All right, gentlemen, have a nice weekend.

MR. COHN: Thank you, your Honor.

(Adjourned to Monday, September 17, 1973,  
at 10 o'clock a.m.)

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\*\*\*

1 eb:mg

Goberman-cross

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2 will take both of those things up again at the appropriate  
3 time but let's go with the jury.

4 (In open court.)

5 MR. COHN: While the jury is coming in, your Honor,  
6 on those exhibits that I offered Friday, the transcripts  
7 from Pennsylvania, Mr. McGuire, as I understand it, says  
8 he doesn't object to them coming in but would want me to  
9 put them in on my case which I don't object to.

10 THE COURT: All right.

11 (Jury present.)

12 A L L A N G O B E R M A N, resumed:

13 CROSS-EXAMINATION(continued)

14 BY MR. COHN:

15 THE COURT: All right, we will continue with the  
16 cross-examination of Mr. Goberman.

17 You may proceed, Mr. Cohn.

18 Q Mr. Goberman, I believe we left off at the point  
19 you were telling us about your contacts with prosecution  
20 representatives prior to this trial and I want to pick up  
21 with that.

22 As I recall, you had told us that you had been  
23 to Washington about seven times conferring with Mr. Campbell  
24 concerning this case; do you recall that?  
25

wb:mg

Goberman-cross

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1

2

A Yes, sir.

3

Q And that was prior to your sentence in Pennsylvania;

4

where in Pennsylvania was that sentence?

5

A I beg your pardon?

6

Q Where?

7

A In Philadelphia.

8

Q In Philadelphia?

9

A Yes, sir.

10

Q Now, did you meet with Mr. Campbell of the Justice

11

Department any place other than in Washington?

12

A Yes, sir.

13

Q Where?

14

A Mr. Campbell came to my residence at a very early

15

date. I just forget when.

16

Q Could you give us that date as best you recall it?

17

A I don't remember the date of my subpoena. It was

18

some time after I received a subpoena from Mr. Pollack in

19

Brooklyn to appear before the grand jury.

20

Q Could you place that with reference to any other

21

event such as your court problems in Pennsylvania, or any-

22

thing else, and give us a month and certainly a year and a

23

month if you can.

24

A Well, I would say it was almost a year before the

25

court trial that you are talking about.

1 eb:mg

Goberman-cross

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2 THE COURT: Well, this is 1973.

3 Are you talking about 1971 now, would you say, or  
4 1970?5 MR. MCGUIRE: If it is helpful, we would be glad  
6 to stipulate that the subpoena in question to the grand  
7 jury in Brooklyn was returnable November 8th or 9th, 1971.

8 THE COURT: November 8th or 9th, 1971.

9 Does that establish it?

10 THE WITNESS: Around that date.

11 Q Around that date Mr. Campbell came to your home,  
12 and where was that, sir, in Pennsylvania?

13 A Yes, sir, in Lancaster.

14 Q And about how long did he remain at your home?

15 A Several hours.

16 Q Was that the only occasion when he was at your  
17 home?

18 A Yes.

19 Q In the course of those several hours, did you  
20 turn over any papers to him?

21 A I don't believe so.

22 Q Who was present while you were talking to Mr.  
23 Campbell on that day?

24 A I don't remember anyone else at that time.

25 Q Your best recollection is he came alone?

1 eb:mg

Goberman-cross

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2 A I believe he did. I believe he said he came up  
3 with his wife and his wife went down to the country to  
4 visit some of the Amish farm houses and he came in to see  
5 me.

6 Q And you say he remained about several hours?

7 A Yes, sir.

8 Q Did he take notes?

9 A No, sir, I don't think he did.

10 Q Didn't take any notes?

11 A I don't believe he did.

12 Q All right.

13 Now, in addition to having seen Mr. Campbell about  
14 seven times in Washington and for several hours at your  
15 home in Pennsylvania, did you see him any place else?

16 A Yes, sir.

17 Q Where?

18 A I saw him, I believe, in this building.

19 Q On about how many occasions?

20 A I believe once when I had to appear before the  
21 grand jury.

22 Q You say you were subpoenaed?

23 A Yes, sir.

24 Q Did you know in advance you were being subpoenaed?

25 A I beg your pardon?



1 ebbr 1

Goberman-cross

1b am

2 Q Did Mr. Campbell or anyone else from the Justice  
3 Department tell you in advance that you were expected at the  
4 grand jury?

5 A I don't think so. I believe, if I remember the  
6 course of events, I received a subpoena in the mail.

7 Q Personally served?

8 A I believe I received it in the mail. I'm not  
9 sure.

10 Q Up in Pennsylvania?

11 A Yes, sir.

12 Q After you received it did you communicate with  
13 Mr. Campbell?

14 A I don't remember.

15 Q Well, you have given testimony before a number  
16 of grand juries about Mr. and Mrs. Parness, haven't you?

17 A Well, I don't know what you call a number.

18 Q Well, let us try three.

19 A Well, I believe I would like to try two.

20 Q All right.

21 Did you testify in Brooklyn before a grand jury  
22 concerning Mr. and Mrs. Parness?

23 A I don't believe it was concerning Mr. and Mrs.  
24 Parness. I believe it was my own affairs. I'm not sure.

25 MR. COHN: Would your Honor indulge me for a

1 ebbr 2

Goberman-cross

2 a second?

3 THE COURT: Yes.

4 (Pause.)

5 MR. COHN: Can I have it marked for identification,  
6 your Honor?

7 THE COURT: Yes.

8 (Defendants' Exhibit C was marked for  
9 identification.)

10 THE COURT: Would you identify that exhibit,  
11 please?

12 MR. COHN: Yes. This is Defendants' Exhibit C  
13 for identification.

14 THE COURT: What is the nature of the document?

15 MR. COHN: The nature of the document is  
16 grand jury testimony on November 8, 1971.

17 THE COURT: All right.

18 Q Now, how long prior to your grand jury testimony  
19 in November, November 8th, 1971, had you spoken with Mr.  
20 Campbell for the first time?

21 A Is this the one that I received from Brooklyn,  
22 from Mr. Pollack?

23 A Right.

24 A I don't believe I spoke to Mr. Campbell before that  
25 time.

xx

ebbr

Goberman-cross

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1  
2 Q Did you speak to Mr. Pollack of the Department  
3 of Justice before you went into the grand jury?

4 A I had my attorney call him on the phone.

5 Q Which attorney was that?

6 A Mr. Rubin, who is no longer my attorney.

7 Q And?

8 A To advise him that I would be there.

9 Q All right.

10 And before that grand jury, were you asked to  
11 produce all of your records concerning the San Maarten Isle  
12 Hotel?

13 A Yes, sir.

14 Q And did you?

15 A Did I what?

16 Q Did you produce those records?

17 A I don't have them. I didn't produce them because  
18 I didn't have them, naturally.

19 Q Did therre come a time thereafter when you did  
20 turn over records?

21 A Some of my personal records, yes.

22 Q Did you turn any over; any records belonging  
23 to the San Maarten Isle Hotel Corporation?

24 A I don't have any record pertaining to that if  
25 I recall.

ebbr

Goberman-cross

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1  
2 Q Now, after you testified before a grand jury  
3 in Brooklyn, excluding that, on how many other occasions  
4 did you testify before grand juries about the St. Maarten  
5 Isle Hotel and/or Mr. and Mrs. Parness?

6 A Twice, I believe.

7 Q Two times?

8 A Yes, sir.

9 Q And were both of those times in the Southern  
10 District of New York?

11 A Yes, sir.

12 Q And prior to testifying on each occasion did you  
13 talk with Mr. Campbell?

14 A I don't know what you mean.

15 Q Before you went into the grand jury --

16 A You mean with reference to going into the  
17 grand jury?

18 Q With reference to going in and with reference  
19 to what you were going to be asked about before the grand  
20 jury.

21 A No one told me what I was going to be asked.

22 Q You just went in cold?

23 A No, I had the subpoena which explained to me what  
24 I was being called for.

25 Q What did the subpoena say?

1 ebbr

Goberman-cross

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2 A I don't know.

3 MR. MC GUIRE: Objection, your Honor. The  
4 subpoena itself is the best evidence.

5 THE COURT: What was the subject matter that you  
6 were being called on? Do you remember that?

7 THE WITNESS: I don't even recall. I knew I was  
8 called to testify on front of the grand jurh but I don't  
9 recall at the moment that it was about.

10 Q Is there any doubt in your mind that you knew you  
11 were going to testify about the St. Maarten Isle Hotel and  
12 Mr. Milton Parness?

13 A There is no doubt in my mind -- no, I can't even  
14 say that. I don't know what they brought me for other  
15 than what was spelled out in the subpoena.

16 Q You testified before grand juries in this district  
17 before in the last two years about any matter other than the  
18 St. Maarten Isle Hotel and Mr. Parness?

19 MR. MC GUIRE: Objection.

20 THE COURT: I think I will take take that.

21 Q Have you testified before any grand jury  
22 in the Southern District in the last two years about any  
23 case unrelated to St. Marteen Isle Hotel?

24 THE COURT: I am going to sustain the objection  
25 to that but I am going to ask Mr. Goberman:

1 ebbr Goberman-cross  
BY THE COURT:

2 Q You say when you got the subpoena, you had a pretty  
3 good idea, at least, of the subject about which the grand  
4 jury was interested, is that correct?

5 A It was spelled out in the subpoena, yes, sir.

6 Q Can't you remember now -- and think about  
7 it carefully -- can't you remember now what the subject  
8 matter was?

9 A Well, I would say it would be with reference to  
10 the hotel.

11 THE COURT: All right. That is all.

12 BY MR. COHN:

13 Q And you gave testimony about Mr. Parness and  
14 about Barbara Parness, did you not?

15 A If it was part of the hotel testimony, I would  
16 have.

17 Q Mr. Goberman, sitting there on this witness stand  
18 now, as a witness, do you have any doubt in your mind that  
19 in your two appearances before grand juries in this  
20 building you were asked about and gave answers about  
21 Milton Parness and Barbara Parness?

22 A Yes, there might be some doubt in my mind.

23 MR. COHN: May I have his grand jury testimony,  
24 please?

25 A Because I don't remember.

1 ebbr

Goberman-cross

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2 Q You don't remember as you sit before this  
3 jury?

4 THE COURT: Don't argue with the witness,  
5 please.

6 He said he doesn't remember.

7 MR. MC GUIRE: I am handing Mr. Cohn copies  
8 of documents which have previously been marked and which  
9 had previously been furnished to him under the numbers  
10 Government's Exhibit 3503 and 3504 for identification.  
11 They have been furnished pursuant to statute.

12

13

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1 jhbr

Goberman-cross

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2 Q Mr. Goberman, you recall being before the grand  
3 jury on June 28, 1973, on or about June 28th?

4 A I don't recall the exact date. I do know I was  
5 before the grand jury.

6 MR. COHN: Shall I have it marked for identifi-  
7 cation, your Honor?

8 THE COURT: Yes.

9 (Defendants' Exhibit D was marked for identifi-  
10 cation.)

11 Q I will show you Defendants' Exhibit D for  
12 identification, which I represent to you to be a transcript  
13 of your testimony before the federal grand jury on June 28,  
14 1973.

15 A Thank you.

16 Q I will now ask you to look at it. Look at  
17 page 1 first and tell me whether testimony was given about  
18 Mr. Parness on page .

19 MR. MC GUIRE: I will object to the form of  
20 that question.

21 THE COURT: I will ask the witness to read that  
22 to himself.

23 I think he is interested in page 1. Read page 1  
24 to yourself.

25 THE WITNESS: I see what I testified.



jhbr

Goberman-cross

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THE COURT: All right. Read it.

THE WITNESS: To myself.

THE COURT: Yes, read it to yourself.

THE WITNESS: All right, sir.

Q Have you read it?

A Yes, sir.

Q You see the name of Mr. Parness?

A Yes, sir.

Q Would you look at page 2 now, please.

Mr. Parness' name again?

A Yes, sir.

Q Would you look at page 3?

MR. MC GUIRE: I object to this, your Honor.

Mr. Goberman was obviously asked questions about --

THE COURT: I will let him answer that.

A What is the question, do I see Mr. Parness' name  
on page 3?

Q Page 3.

A His name appears on the first line of page 3  
and --

THE COURT: All right. In other words, I think the  
purpose of this is Mr. Cohn is asking you when you testified  
before the jury jury on June 28 you testified about Mr.  
Parness.

1 jhbr

Goberman-cross

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2 THE WITNESS: Yes, sir. This was the second.

3 THE COURT: I understand that.

4 THE WITNESS: The second, yes, sir.

5 Q You recall that now, Mr. Goberman?

6 A I do recall it.

7 Q Mr. Goberman, as to your not having recalled  
8 this a few minutes ago, may I ask this, sir:9 MR. MC GUIRE: Objection to that. He is arguing  
10 with the witness.11 THE COURT: Yes. Please don't argue with the  
12 witness.13 MR. COHN: May I ask your Honor, may I ask the  
14 witness any questions about the extent of his memory?

15 THE COURT: You may ask him that.

16 MR. COHN: All right, sir.

17 Q Mr. Goberman, is your memory concerning events  
18 say two, three years ago any better than your memory of  
19 what was asked of you before the grand jury June of this  
20 year, two, three months ago?

21 A Yes, sir.

22 Q Your memory about events two, three years ago --

23 A I can go back 40 years and get pictures and memories  
24 of things that were important to me. Things that are not im-  
25 portant to me, without my interest, I don't remember

1 jhbr

Goberman-cross

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2 clearly.

3 Q Did you regard the testimony you gave before the  
4 grand jury in this case as one of those things that was  
5 unimportant to you?

6 A I don't think I would want to use the word  
7 unimportant to reference to this. I would say that you  
8 would have to consider my emotional feelings and my state of  
9 mind at that time. I really didn't care. I wasn't really  
10 interested.

11 Q You were not interested?

12 A I went there because I was asked to go by my  
13 government to appear and I went there. I was subpoenaed,  
14 but I really had no personal interest in -- I didn't care  
15 what happened there.

16 Q Did you know that a purpose of a grand jury  
17 proceeding is the possible indictment of people for criminal  
18 offenses?

19 A I gave it absolutely no serious thought.  
20 I didn't care what it involved, who it involved.

21 I went there at a time when I was at a very low  
22 stage emotionally, healthwise, I was getting over a heart  
23 attack, and I just didn't care what happened. I was there.

24 Q My question was simply did you know that one of the  
25 possible actions of a grand jury --

jhbr

Goberman-cross

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THE COURT: I think he has answered that.

A No, I didn't know that.

Q You didn't know that?

A No, I didn't know what a grand jury was.

Q You yourself had been indicted twice by grand juries, had you not?

A I don't know what you mean by that.

Q You had been indicted for perjury and you had been indicted for filing a false statement.

A No, I was not indicted by a grand jury.  
Not at all.

Q Were you indicted for making a false statement by a grand jury?

A I don't know whether a grand jury was involved or not. It was Internal Revenue. I don't know.

Q You don't know that the face of the document says "The grand jury charges"?

A I don't know.

Q In any event, your testimony is, as qualified by the explanation you have given us, the testimony you gave in June of 1973 before the grand jury was not one of those things that evokes --

MR. MC GUIRE: Objection.

THE COURT: I am going to sustain the objection.

jhbr

Goberman-cross

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MR. COHN: It is getting a little complicated.

MR. MC GUIRE: Mr. Cohn is attempting to put words in the witness' mouth again.

MR. COHN: I certainly don't want to put words in his mouth. I want to see what his testimony was here.

Q Was your attitude the same with reference to the grand jury testimony you gave about Mr. and Mrs. Parness on July 27, 1972, some 71 pages worth?

A Very possibly.

Q Was it?

A Very possibly.

MR. COHN: May I have this marked for identification, please.

(Defendants' Exhibit E was marked for identification.)

Q Did there come a time when you knew you were going to be a witness at this trial?

A Yes, sir.

Q When was that?

A I believe I received a subpoena to appear here as a witness. No, that wouldn't be all -- no, that is not all the facts. I understood that I might be called to be a witness.

Q Mr. Goberman, prior to this trial you had passed

1 jhbr

Goberman-cross

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2 the point, if I could word it that way, where you were  
3 notified by subpoena, you were told orally.

4 THE COURT: Please don't argue with the witness.  
5 His testimony is not yours, Mr. Cohn.

6 The question is did you talk to somebody from  
7 the government who indicated to you that you would be  
8 called as a witness?

9 THE WITNESS: That I may be called as a witness,  
10 yes. I just said that a moment ago.

11 THE COURT: All right. Would you tell it  
12 to the jury.

13 A I believe Mr. Glaze called me.

14 THE COURT: Glaze?

15 THE WITNESS: Mr. Glaze of Internal Revenue.

16 Q When?

17 A I don't remember. It was prior, as you wanted to  
18 know, it was prior to the time I got my indictment.

19 Q Prior to the time what?

20 A Prior -- I am sorry -- prior to the time that  
21 I received my subpoena. Mr. Glaze called and said  
22 "In the event that you are called as a witness, I drive  
23 from Harrisburg, you want to drive in with me, you want to  
24 take the train," so forth.

25 Q This is Agent Glaze of the Internal Revenue

jhbr

Goberman-cross

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Service we are talking about, is that correct?

A Yes, sir.

Q Have you on occasion driven in from Pennsylvania with Agent Glaze?

A No, sir.

Q You never did?

A No, sir.

Q How have you come here from Pennsylvania?

A I beg your pardon?

Q How have you come in; train, car?

A On some occasions I came in on the train and others I drove in.

Q How many times have you been here in connection with preparation of your testimony at this trial --

A No times at all.

Q Sir, if you cut me off in the middle of my question you can't know what I am going to ask you.

A I am sorry. I won't cut you off, Mr. Cohn.

Q The question is this: Prior to your taking the stand here in this case last Wednesday how many times had you talked with the prosecution or any of its representatives about your appearance on this witness stand?

A Here in New York?

THE COURT: I think the question is anywhere.

jhbr

Goberman-cross

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THE WITNESS: Oh, I thought he mentioned New York.  
I don't recall.

Q Mr. Goberman, before you took the stand here you had gone over your examination with Mr. Mc Guire and his associates, hadn't you?

A Yes, I know that. As a matter of fact, if we had any conversations, I believe that --

Q The question was, Mr. Goberman --

A When did I have the conversation?

Q -- prior to your taking the stand here is it not a fact that you had gone over your testimony, the questions that were going to be put to you and the answers you might give, with Mr. Mc Guire and his associates?

A No, sir.

Q Not at all? So when you got on that stand Wednesday and Mr. Mc Guire stood up here that was the first you knew of the nature of the questions he was going to put to you? Is that the fact or is something else --

A That appears to be the fact, yes, sir.

Q When did you see Mr. Mc Guire before taking the stand on Wednesday? I believe you took the stand Wednesday about 12:30 p.m..

A I was in his office prior to coming down here.

Q For how long a period of time were you in his office?



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Goberman-cross

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A Well, I was in the outer office. All together about a half hour.

Q Did you discuss your testimony with Mr. Mc Guire?

A No. I had one of my cuitcases with me. I wanted to know if it was all right to leave it there.

Q Mr. Goberman, I think my question --

A No, I did not discuss.

Q You didn't discuss it with Mr. Mc Guire?

A No, sir.

Q What time did you arrive in New York on Wednesday morning, if you did arrive Wednesday morning?

A No. I arrived Monday night.

Q You arrived Monday night?

A Yes, sir, because --

Q No. I justasked --

A Yes, I arrived Monday night.

Q Okay, sir.

A Because the subpoena told me to be there Monday.

MR. COHN: Your Honor --

A No, I am sorry. I arrived Sunday night, Mr. Cohn.

Q What did you do on Monday? Where were you?

A I am just trying to think where I was on Monday.

Q Did you come down to the United States Court House?

1 jhbr

Goberman-cross

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2 A Yes. My subpoena called for me being here on  
3 Monday and I was here on Monday. I have a copy of the  
4 subpoena.

5 May I look at my subpoena?

6 Q Surely.

7 Did that subpoena call for you to report to  
8 Court Room 1506?  
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jh:mg 1

Goberman-cross

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THE COURT: I don't know that that makes much difference. He has the subpoena there.

3

4

I think what Mr. Cohn really wants to know is what you did on Monday.

5

6

THE WITNESS: Well, I had some personal matters I took care of I am not going to tell Mr. Cohn about.

7

8

THE COURT: Don't tell us about that.

9

Were you in the courthouse on Monday, sir?

10

THE WITNESS: Yes, because the subpoena tells me to be here on Monday, the 10th of September, 1973.

11

12

THE COURT: Mr. Cohn wants to know whether you were here on Monday and I take it you were here on Monday?

13

14

THE WITNESS: Well, I stopped in. Not knowing what to do, I stopped in.

15

16

THE COURT: Just try to answer the question.

17

Tell us what you did.

18

Did you do that on Monday, as far as this courthouse is concerned?

19

20

THE WITNESS: As far as this courthouse is concerned, I stopped in Mr. McGrath's -- Mr. McGuire's office to advise him that I had a suitcase with me and that I could not fulfill, I guess, his demands on the subpoena to bring along letters, memoranda and documents, relative to acquisition or loss by you of the St. Maarten Isle Corporation,

21

22

23

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1 jh:mg #2

Goberman-cross

2 N.V. because I did not have those documents.

3 THE COURT: Where did you have this conversation?

4 THE WITNESS: In Mr. McGuire's office.

5 THE COURT: This is on Monday?

6 THE WITNESS: Yes, sir.

7 THE COURT: Okay.

8 Q By the way, in addition to Mr. McGuire, who did  
9 you see down in or about Mr. McGuire's office?

10 A Who did I see there?

11 Q Yes, connected with the Government, on Monday.

12 A With the Government?

13 Q Yes.

14 Did you see Mr. Dowd?

15 A I believe Mr. Dowd was there. I believe he was,  
16 yes.

17 Q Any of the agents there? Agent Glaze?

18 A I think they were in the outside office, yes, sir.

19 Q Anybody else? Agent Eisler?

20 A Yes, when I said, "they," I mean these two gentle-  
21 men.

22 Q The jury doesn't know --

23 A Eisler and Mr. Glaze were both there.

24 Q Was Mr. Campbell there?

25 A Yes, Mr. Campbell, I believe, arrived there, yes.

1 jh:mg 3

Goberman-cross

2 Q Did you have any conversation with any of these  
3 five representatives of the prosecution concerning the  
4 testimony you were to give in this case?

5 A No, sir, I did not discuss testimony at all with  
6 these gentlemen.

7 Q At no time, ever?

8 A At no time.

9 Q How long did you spend in or about Mr. McGuire's  
10 office on Monday, the 10th of September?

11 A I can't pin it down. A very short time.

12 Q This was only--

13 THE COURT: Just givd us an idea.

14 You say a short time.

15 THE WITNESS: A short time.

16 THE COURT: What would say a short time is?

17 THE WITNESS: A half hour.

18 THE COURT: Half, three-quarters of an hour?

19 MR. MCGUIRE: May we approach the bench, your  
20 Honor?

21 THE COURT: Yes.

22 (At the side bar.)

23 MR. MCGUIRE: I have two comments to make. First,  
24 it seems to me that the witness may be confused and when  
25 Mr. Cohn asked him about discussing testimony, he excluded

1 jh:mg 4

Goberman-cross

2 from his mind the fact-- and I represent to the Court that  
3 it was a fact -- that we discussed the St. Maarten Isle  
4 Hotel Corporation and Parness and so forth for several  
5 hours.

6 THE COURT: I would think so. This was on Monday?

7 MR. MCGUIRE: Yes.

8 THE COURT: I would think so.

9 MR. COHN: If not, your Honor, it is the first  
10 time in history --

11 MR. DOWD: Your Honor, I think what he is trying  
12 to day, in response to your questions, Roy, did McGuire  
13 and Dowd and Glaze tell you what answers to give --

14 MR. COHN: Your Honor --

15 THE COURT: That isn't the question.

16 You just relax a little bit, because I think you  
17 are getting him jittery. I think you can ask him again  
18 to think about Monday, how long he was down here.

19 MR. COHN: Your Honor, I was just going to make  
20 this point: This is a fellow who has had more experience  
21 as a witness and a defendant than anyone you would see in  
22 this courthouse in a year and he puts on this con act.

23 THE COURT: Don't worry about that.

24 MR. COHN: I will put it the way your Honor sug-  
25 gests.

jh:mg 5

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1           THE COURT: But be gentle. Ask him, "What time did  
2 you arrive on Monday and see these fellows, where did you  
3 see them?"

4           MR. COHN: I will do my best to control --

5           MR. McGUIRE: Previous to Monday, I can also  
6 represent to the Court that Mr. Goberman refused to see  
7 me and that I had not been able to talk to him for several  
8 months.

9           THE COURT: All right.

10          MR. COHN: An extremely reluctant witness, your  
11 Honor.

12          THE COURT: All right.

13          (In open court.)

14          BY MR. COHN:

15           Q     Mr. Goberman, I want to put it to you again and  
16 I want you to consider this question very carefully before  
17 you answer it.

18                 Is it not a fact that on Monday, September 10,  
19 in this courthouse, you spent several hours reviewing with  
20 Mr. McGuire and representatives of the government the  
21 subject matter of testimony you were to give on this wit-  
22 ness stand?

23           THE COURT: I sustain the objection to the last  
24 part of that question.  
25

1       jh:mg 6

Goberman-cross

2               This is a week ago, Mr. Goberman.

3               MR. COHN: Maybe I can try it this way, your Honor:

4               Q     Did you spend several hours in conversation with  
5       Mr. McGuire and his associates on the prosecution staff on  
6       Monday, September 10th?

7               THE COURT: Yes, you can answer that.

8               A     I believe I did answer that.

9               THE COURT: You thought it was half an hour. He  
10      is asking you again. Put your mind back. It is only a  
11      week ago.

12              Was it half an hour?

13              Try to remember what time you got here, if you  
14      can, and what time you left.

15              THE WITNESS: I don't want to appear difficult.

16              THE COURT: You are not difficult at all.

17              THE WITNESS: It is possible that sometimes events  
18      just pass by and for no reason at all I just don't realize  
19      whether it is a half hour--it depends on whether it is  
20      pleasant events or unpleasant events.

21              THE COURT: I know, but when did you come down here?  
22      You remember a week ago? What time did you come down here?

23              THE WITNESS: I just simply don't remember.

24              Q     What time did you leave Pennsylvania?

25              You left Sunday night?



1       jh:mg 7                               Goberman-cross

2           A       Sunday. Late afternoon.

3           Q       Did you stay at a hotel or an apartment in New  
4       York?

5           A       Yes, I stayed overnight.

6           Q       When you got up in the morning, about what time  
7       did you get up?

8           A       I don't remember that.

9           Q       Can you give us a range, say between 7 and 11?

10          A       Between 7 and 11.

11               THE COURT: I don't think rising habits are impor-  
12       tant.

13               If you could, sir, try to focus as to when you  
14       reached this building a week ago. That would be most help-  
15       ful, if you can remember that.

16               THE WITNESS: Some time before noon.

17               THE COURT: Some time before noon.

18          Q       And when did you leave this building?

19          A       Some time after noon. I just don't remember. It  
20       wasn't that important to me to remember.

21          Q       Mr. Goberman, it might be important to us, sir, so  
22       we are asking you to think back again, and I would suggest  
23       to you and ask you to think of this question carefully.

24               Did you not spend several hours on Monday, Sep-  
25       tember 10th, one week ago, talking with Mr. McGuire and

1 jh:mq 8

Goberman-cross

2 his associates about the subject matter of this case?

3 A I believe I answered that before. I don't believe  
4 I spent several hours.

5 Q Did you spend some time talking with Mr. McGuire  
6 and his associates about the subject matter of this case?

7 A I don't think I want to tell you what I was talk-  
8 ing about, because it was not what you are referring to.

9 I am beginning-- it has dawned upon me what you  
10 are driving at, Mr. Cohn. The conversation I had, if  
11 any, with the Government attorneys was on another subject  
12 that might be considered relative and I don't want to --

13 THE COURT: Don't get us into the other subject.

14 THE WITNESS: I don't want to get you into it.  
15 That is the reason why I don't want to tell you what it  
16 was. But it is not what you think it was.

17 THE COURT: The question really is were you talk-  
18 ing about the St. Maarten Hotel and what did you talk  
19 about.

20 THE WITNESS: I had matters of great importance,  
21 your Honor, to discuss.

22 THE COURT: I am sure you did, but did you talk  
23 about the St. Maarten Hotel with these gentlemen a week  
24 ago and about the problems that have arisen in connection  
25 with that and that there was a trial to go on?

1 jh:mg 9

Goberman-cross

2 Last week do you remember talking about that?

3 THE WITNESS: Sir, if --

4 THE COURT: You can answer that yes or no.

5 THE WITNESS: Yes, and no, is the only way I can  
6 answer it. It is just like fingers on a hand. I just  
7 can't tear it away. But it is not what Mr. Cohn is asking  
8 me to answer.

9 If you want me to bring--

10 THE COURT: Don't talk about Mr. Cohn. I am asking  
11 you that, whether a week ago--

12 THE WITNESS: It was another problem, yes, sir.

13 THE COURT: I am not interested in the other  
14 problem.

15 Did you discuss with Mr. McGuire and other gentle-  
16 men here in this building this case involving Mr. and Mrs.  
17 Parness and the St. Maarten Hotel?

18 You can answer that.

19 THE WITNESS: Another matter related to it, yes,  
20 sir.

21 THE COURT: I am not talking about the other mat-  
22 ter. I am talking about St. Maarten Hotel and the Parnesses.

23 THE WITNESS: Indirectly, yes, sir.

24 THE COURT: You say you did talk to them about it  
25 indirectly?

1       jh:mg 10

Goberman-cross

2               THE WITNESS: Yes, sir.

3               THE COURT: Do you remember how long you were talk-  
4 ing to them, perhaps indirectly, how long that subject was  
5 discussed?

6               THE WITNESS: I would say just a short time, your  
7 Honor.

8               THE COURT: Just a short time?

9               THE WITNESS: Yes, sir.

10              THE COURT: What do you mean by a short time?

11              THE WITNESS: Possibly 15 minutes.

12              THE COURT: 15 minutes?

13              THE WITNESS: Yes, sir.

14              MR. COHN: Your Honor, may we approach the side  
15 bar for a moment?

16              THE COURT: Yes.

17              (At the side bar.)

18              MR. COHN: Your Honor, under Brady-- I thank you  
19 for trying-- under Brady against Maryland I respectfully  
20 call upon Mr. McGuire to advise the Court and the jury on  
21 the record that Mr. Goberman's recollection is not in ac-  
22 cordance with the facts as known to the prosecution.

23              MR. MCGUIRE: Your Honor, I think that the cross-  
24 examination here on a collateral matter has gone as far as  
25 it ought to. If this were a matter of substance in the

1 jh:mg 11 Goberman-cross

2 case I would agree with Mr. Cohn.

3 But how long he spent here in conversation with  
4 me --

5 THE COURT: He has a problem of credibility. I must  
6 say that it troubles me quite a bit. He is entitled to  
7 attack credibility.

8 MR. MCGUIRE: I agree, your Honor.

9 THE COURT: So far as your Brady point is concerned,  
10 we don't have to bring that up right now, but I will con-  
11 sider that later on.

12 MR. COHN: All right, your Honor.

13 THE COURT: If in fact the government did discuss  
14 this thing with him for several hours, I think the jury ought  
15 to know it, concerning his credibility.

16 MR. COHN: Shall I leave the format of that up  
17 in the air and pass on to something else?

18 THE COURT: I think so.

19 Don't you think so? I think we have exhausted this.

20 MR. MCGUIRE: I think so, your Honor.

21 (In open court.)  
22  
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JH:mg 1

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MR. COHN: Will your Honor indulge me for one second?

THE COURT: Surely.

(Pause.)

Q Mr. Goberman, I would like to direct your attention to this conversation you said, you told the jury you had overheard between Mr. Parness and Mr. Klaver when you were in one office and they were in another office and you described some air duct in between; do you recall that?

A Yes, sir.

Q And you fixed that, I believe, at around June of 1971?

A You say did I?

Q Yes.

A I believe so. I am not sure.

Q Is it your testimony to the jury that you can distinctly make out the voice of Milton Parness and the voice of Mr. Klaver?

A Yes, sir.

Q On how many occasions had you met Mr. Klaver before this?

A I am not sure whether he and his family were at the hotel once before that or not. I am not certain.

Q Had you had any extended conversations with him?

1 eb:mg 2

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2 A Not particularly. I don't know what you mean by  
3 extended.

4 Q Had you had sufficient conversation with him to  
5 enable you at a later date to recognize his voice when it  
6 came from another room?

7 A I believe so. Yes, sir. I saw him walk into the  
8 room with Mr. Parness and I would remember his voice; yes,  
9 sir.

10 Q I understand you did see him walk into the other  
11 room with Mr. Parness?

12 A Yes, sir.

13 Q Do you remember where the two of them came from?

14 A I beg your pardon?

15 Q Do you remember where the two of them came from?  
16 In other words, where were you and where were they as you saw  
17 them walking into the room?

18 A I would have to say we were all in the front, open  
19 lobby there.

20 Q And then you went off into one office?

21 A Yes.

22 Q And you saw them go into the other office?

23 A Yes, sir.

24 Q As they started -- it was just the two of them?

25 A I believe it was just the two of them.

eb:mg 3

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Q Now, as they started talking, whose voice did you hear first, Mr. Parness' or Mr. Klaver's?

A I don't remember whose voice I heard first.

Q It is your testimony that you could tell the one from the other?

A Yes, sir.

Q And you heard those things which Mr. Parness said and were able to distinguish them from those things which Mr. Klaver was saying?

A Well, they were calling each other Milton, I think, Bernie is Klaver's first name.

Q And that aided you in telling who was talking to whom?

A I believe I could recognize both their voices. I'm quite sure I can remember Mr. Parness' voice.

Q And if you had not heard-- let me ask you this: If you had not heard them call each other Milt or Bernie before a particular sentence, was your familiarity with their voices such that you would nevertheless have been able to tell who was talking?

A I believe so, yes, sir.

Q For about how long a period of time did this conversation last?

A I don't remember.



eb:mg 4

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Q Now, well, was it over a period of --

A I don't remember how long the conversation was because when I heard what was going on, I naturally became very distraught and upset.

Q And you continued to listen.

Do you remember for how long a period of time you continued to listen?

A No, sir.

Q Then you recall in your direct testimony, on page 135 -- I am not going to repeat it here now-- but you told the jury various things you say Mr. Parness said and various things you say Mr. Klaver said, do you recall that?

A Yes, sir.

Q Concluding with Mr. Klaver saying, "Well, let me give this some thought and I believe I can come up with a plan."

Do you recall that?

A Is that what you are reading there?

Q Suppose I weren't reading it?

A Well, that sounds like something I might have said or would have said at that time, yes.

Q You just testified to that on Wednesday or Thursday of last week.

MR. McGUIRE: If I may, your Honor, Mr. Cohn

1 eb:mg 5 Goberman-cross 279

2 doesn't need to argue with the witness.

3 THE COURT: That's all right.

4 Please don't argue with the witness.

5 Q Did the conversation conclude with Mr. Klaver  
6 saying, "Well, let me give this some thought and I believe  
7 I can come up with a plan"?

8 A Yes, sir.

9 Q Do you recall those words as you are sitting on  
10 the stand?

11 A Almost exactly.

12 Q And you recall Mr. Parness' voice and you recall  
13 Mr. Klaver's voice?

14 A Yes, sir.

15 Q And you recall seeing the two of them walking  
16 into the office?

17 A Yes, sir.

18 Q Mr. Goberman, that is not a truthful version of  
19 that conversation, is it, sir?

20 A Well, you can't say that, Mr. Cohn.

21 THE COURT: No. Answer the question. He is asking  
22 you if that is your best recollection.

23 THE WITNESS: I thought he said that is not a truth-  
24 ful version.

25 Q I am asking you.

1 eb:mg 6

Goberman-cross

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2 A Repeat it so I can hear it.

3 Q Is that a truthful version?

4 A Yes.

5 Q Of the conversation?

6 A Yes, sir.

7 Q A conversation between Mr. Parness and Mr. Klaver  
8 and the two of them overheard by you?

9 A Yes, sir.

10 Q Mr. Goberman, haven't you testified on previous  
11 occasions that it was Edward Levrey who was in that room  
12 participating in this conversation?

13 A No, I never told you that.

14 Q You didn't tell me, sir. You didn't tell me.

15 THE COURT: Again, Mr. Cohn. Will you stop this  
16 argument with the witness?

17 A He makes me nervous the way he jumps around.

18 THE COURT: The question is did you ever tell  
19 anybody that Mr. Levrey was the one who had this conversa-  
20 tion with Mr. Parness?

21 THE WITNESS: No.

22 Q Did you ever say Mr. Levry was present and par-  
23 ticipated in this conversation?24 A No. If I mentioned Mr. Levrey's name in conjunc-  
25 tion with my being in that office I recall saying that this

1 eb:mg 7

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2 was my office, and Mr. Levrey took it over, took it away  
3 from me.

4 Q Then you certainly wouldn't have quoted Mr. Levrey  
5 saying, "Will this plan hold up?"

6 A Mr. Levrey does not enter into this conversation  
7 at all.

8 Q All right.

9 Mr. Goberman, do you recall having given sworn  
10 testimony on June 9, 1972 in a Pennsylvania action en-  
11 titled Louis Hoffman against Allan N. Goberman -

12 A I don't know what you are referring to. Are  
13 you referring --

14 THE COURT: Would you tell him where this took  
15 place?

16 MR. COHN: Sure, your Honor. This is the same  
17 thing I referred to the other day.

18 Q It was the offices of Morgan Lewis and Bockius,  
19 2107 Fidelity Building, Philadelphia, Pennsylvania, Fri-  
20 day, June 9, 1972, at 2:00 p.m.

21 Do you recall that session?

22 A I don't recall the exact date but I know I was  
23 there to give a deposition.

24 Q All right.

25 And was that deposition the truth as you recalled

1 eb:mg 8 Goberman-cross 282

2 it on June 9, 1972, a year and some three months ago?

3 MR. MCGUIRE: The question is too broad, your  
4 Honor. I object.

5 If Mr. Cohn has something inconsistent with which  
6 he wishes to confront the witness --

7 THE COURT: Well, you do remember this was in a law-  
8 yer's office there in Philadelphia in connection with this  
9 Hoffman case, do you?

10 THE WITNESS: That is correct, sir.

11 THE COURT: All right.

12 MR. COHN: Your Honor, would the proper procedure  
13 be for me to read him his questions and answers?

14 THE COURT: I don't know what those questions and  
15 answers are. I think I would like to see them before  
16 we do that, at the side bar.

17 (At the side bar.)

18 THE COURT: Is this supposed to be the same con-  
19 versation?

20 MR. COHN: Yes, exactly, your Honor.

21 THE COURT: Well, I think I would like an intro-  
22 ductory question which would be:

23 "Did you over hear any conversation at which  
24 Mr. Levrey was present with Mr. Klaver and Mr. Parness?"

25 MR. COHN: He has already denied it, your Honor.

1 eb:mg 9

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2 THE COURT: Has he?

3 MR. McGUIRE: Yes, he has denied that.

4 THE COURT: Well, then, I guess it is all right.

5 (In open court.)

6 BY MR. COHN:

7 Q Mr. Goberman, did you testify on June 9, 1972, with  
8 respect to this same overheard conversation: "The conver-  
9 sation I overheard" --

10 THE COURT: You are putting in the answer before  
11 you are putting in the question.

12 MR. COHN: I can start with the whole thing. I  
13 can get to the part I want --

14 THE COURT: I don't want to start with an answer.

15 MR. McGUIRE: We would appreciate it if Mr. Cohn  
16 read the whole thing.

17 MR. COHN: I will go back to -- all right.

18 "By Mr. Windsor:

19 THE WITNESS: Mr. Windsor?

20 A Yes, W-i-n-d-s-o-r, W. T. Windsor, Jr., who I  
21 believe was present representing some bank.

22 A Yes, sir, the American Bank.

23 Q All right.

24 Now, did Mr. Windsor ask you this question:

25 "Q March 17, 1969" --

1 eb:mg 10

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2 "A Bernard Klaver, who was from" --

3 MR. MCGUIRE: I object to this, your Honor. Ob-  
4 viously the question is not a question but a continuation  
5 of something else.

6 THE COURT: I think I would rather you go back  
7 because I would like the witness to have the context of the  
8 questions.

9 MR. COHN: I will go back as far as anyone wants  
10 me to, your Honor.

11 Mr. McGuire, why don't you tell me where you  
12 want me to go back to?

13 MR. MCGUIRE: Yes. Right here.

14 MR. COHN: May the record indicate, your Honor, I  
15 am beginning at page 92.

16 THE COURT: All right.

17 Q "By Mr. Windsor:

18 "Q We have discussed the question of the transfer of  
19 certain notes of the hotel corporation to the Development  
20 Company Ltd. in March 17, 1969, and I would like to intro-  
21 duce it into evidence as Exhibit 121 which purports to be  
22 a prospectus for Terrasol Holding, N.V. on page 1 of which  
23 it refers to a certain transfer to a Mr. Levrey by you of  
24 a note in the amount of \$2,500,000 from the hotel and the  
25 subsequent acquisition of this note by Terrasol in exchange

1 eb:mg 11

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2 for issuance of stock to Mr. Levrey.

3 "On page 6 thereof it appears that the shares are  
4 in the name of Aliter Holding N.V."

5 "Can you tell us about these two transactions and  
6 what actually happened?

7 "(A prospectus for Terrasol Holding dated Marcy 17,  
8 1969 was marked as Plaintiff's Exhibit No. 121 for  
9 identification.)"

10 MR. MCGUIRE: Excuse me, Mr. Cohn.

11 May I note for the record here that the reporter  
12 obviously made an error because that prospectus is dated  
13 in November of 1971 and not March 17, 1969.

14 MR. COHN: It is just being read at Mr. McGuire's  
15 request as introductory to what I want to ask.

16 A At some time in February or March 1971 -- what is  
17 the date of this prospectus?

18 Q March 17, 1969.

19 "A Bernard Klaver, who is from Montreal and who was  
20 going to be the promoter whose job it was to sell x number  
21 of shares of stock in the hotel, as I understand it, on the  
22 Canadian Stock Exchange -- Quebec Stock Exchange, City of  
23 Quebec.

24 "The conversation I overheard between Mr. Klaver  
25 and Mr. Levrey and Mr. Parness -- I believe I discussed this



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2 the last time we were here.

3 "My office was adjoining the office at the hotel.  
4 A meeting" --

5 "Q Where?

6 "A The first floor of the hotel, there is a duct work  
7 between the two, and I overheard the conversations, and I  
8 will try to give it to you as closely as I can between Mr.  
9 Klaver and the other two gentlemen."

10 MR. COHN: May I stop there, Mr. Goberman, and  
11 ask you--

12 A You don't have to stop.

13 THE COURT: Please continue.

14 THE WITNESS: He wanted my permission to stop.

15 THE COURT: What is your question?

16 Q May I stop there and ask you whether it is not a  
17 fact that you testified on June 9, 1972 that Mr. Edward  
18 Levrey was present at that overheard conversation between  
19 Mr. Parness and Mr. Klaver?

20 A It is very possible that at that time I thought  
21 that he was there and it is very possible he might have been  
22 there.

23 Q And what is your recollection now?

24 A My recollection now is that he wasn't there.

25 Q Is your recollection --

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1           A     My recollection then might have been that he  
2           was. You must remember the whole turmoil that was going  
3           on at that time.

4           Q     Well, dealing with our turmoil, your testimony is  
5           that Mr. Levrey was not there?

6           A     As of today I don't remember that he was there  
7           and I believe I stated that I didn't think he was.

8           Q     Was your memory, or is your memory now, in Sep-  
9           tember of 1973, better on this 1971 event than it was --

10          A     I would need a psychiatrist to answer that.

11          Q     You what?

12          A     I would need a psychiatrist to answer that.

13          Q     As you sit there on this witness stand, do you  
14          now have a memory of Mr. Levrey having said anything at  
15          that meeting?

16          A     Mr. Levrey had conversations along those lines  
17          but I cannot today place them in that office at that time.

18          Q     Let me continue.

19          "A     Christ, what are we going to do?" (This is you  
20          continuing.)

21          "Now, they didn't know about the three and a  
22          half million dollar note. This is one thing I always re-  
23          frained from telling them.

24          "Blank Allan. We have got him where we want him  
25

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2 anyway.

3 "And Klaver said, 'Well, we can't get away with  
4 it. We have to do something. I'll figure out how much  
5 we're going to say we owe Allan and what we're going to  
6 give him for it.'"

7 And you continue:

8 "Subsequently they come up with this two and a half  
9 million dollar figure and then Klaver said -- I think Levrey  
10 said to Klaver, 'Will this hold up?'"

11 Q Did Levrey say to Klaver, "Will this hold up?"

12 A I don't remember whether it was Levrey right now  
13 or whether it was Mr. Parness who said it.

14 Q Do you now have doubts whether Levrey was at this  
15 conversation you have testified he was not present at?

16 A Do I have doubts?

17 Q Do you now have doubts as to the accuracy of your  
18 testimony to this jury that Mr. Levrey was not present and  
19 participating in this conversation?

20 A No.

21 Q No doubt at all?

22 A Might have been there or might not. I don't re-  
23 member.

24 Q A few minutes ago you were quite certain he was  
25 not there, weren't you?

1 eb:mg 15

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2 A I'm still certain that he wasn't there at that  
3 particular meeting.

4 Q Now, just before the close --

5 MR. MCGUIRE: Is Mr. Cohn going to read the re-  
6 mainder of this testimony?

7 MR. COHN: I would be glad to if Mr. McGuire wants  
8 me to. I have read about what I am interested in.

9 THE COURT: If Mr. McGuire wants you to finish  
10 it up, maybe you would rather do it now.

11 MR. COHN: Should I do it now?

12 THE COURT: Please do.

13 MR. COHN: What would you like me to read?

14 MR. MCGUIRE: Down to there.

15 BY MR. COHN:

16 "Q Subsequently they come up with this two and a half  
17 million dollar figure and then Klaver said - I think Levrey  
18 said to Klaver, 'Will this hold up?' "And Klaver said,  
19 'Let's pray to God we don't have to go to court with this  
20 damn thing or we'll be in trouble.'

21 "This was the beginning of the machinations that  
22 put this together. So, they decided -- this is back re-  
23 ferring to 1969 papers, right?

24 "Q Right.

25 "A 'Well, now here's how we are going to do it. I'll

1 eb:mg 16

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2 make up an agreement with Allan through a firm'-- I thought  
3 he said in the Bahamas. I don't think it was Bermuda or  
4 Nassau.

5 "I thought -- 'We'll give Allan's stock that in  
6 1969 was owrth the amount of money that we owed him.'

7 "That was one thing very clear in my mind.

8 "Part of this, I was asked to help Klaver's sec-  
9 retary or have her type -- type this physical inventory of  
10 the hotel which at that time was preparatory for a final  
11 statement.

12 "I was supposedly being paid for this \$750 aweek.  
13 During the nine or ten days I worked with this young lady  
14 on this inventory Klaver dictated to her all the papers  
15 covering this deal dated -- what's the date, 1969?

16 "Q 1969.

17 "A It was done in -- some time in April 1971."

18 Is that all right?

19 MR. McGUIRE: Yes.

20 Q Now, Mr. Goberman, do you recall testifying that  
21 in or about June, 1971, Mr. Parness threatened you?

22 A (No response.)

23 Q Should I pinpoint it a little more for you?

24 A I wish you would, please.

25 Q Do you recall, and correct me if I'm wrong, was the

1 eb:mg 17

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2 substance of your testimony on direct examination under  
3 Mr. McGuire's questioning, that in or about June, 1971, a  
4 letter was drawn for you to sign in connection with the  
5 very transaction that was the basis of this overheard con-  
6 versation that, as I recall your testimony, you didn't want  
7 to sign the letter, and accompanied by a Mr. -- was it  
8 Blandino? -- went down to Mr. Parness' hotel room and told  
9 Mr. Parness you didn't want to sign it, whereupon he said  
10 to you, in words or substance, "If you don't sign this,  
11 you will be found in the Caribbean tomorrow; did you tes-  
12 tify to that?

13 A Yes.

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1 ebbr 1 Goberman-cross 292

t3b am 2 Q Do you clearly recall those words of Mr. Parness?

3 A That's about as clearly as I can recall them.

4 Q And he certainly didn't say something like, would  
5 you sign this, or just sign this?

6 A Mr. Parness never asked me to do anything.

7 MR. COHN: Your Honor, I didn't ask him whether  
8 Mr. Parness asked him to do anything. The question was --

9 A He didn't.

10 Q He didn't say to you something like just sign  
11 this?

12 A No.

13 Q He said to you "If you don't sign it you are going  
14 to be found floating in the Caribbean."

15 A "Sign it, he said, "because if you don't you  
16 will be found floating" --

17 THE COURT: As I recall the transcript -- and  
18 this is on page 145 -- and I think that this may help you  
19 a bit, "So he went into Mr. Parness' room and I said  
20 'I'm not going to sign this paper,' and Mr. Blandino was  
21 there at that time.'" Do you remember saying that?

22 THE WITNESS: Yes.

23 THE COURT: He said "You sign them or you will be  
24 found floating in the Caribbean tomorrow morning".

25 THE WITNESS: Yes, sir.

ebbr 2

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1  
2 THE COURT: That was what I said before,  
3 and that's your recollection now?

4 THE WITNESS: Yes, sir..

5 Q Now, nobody had ever said anything like that to  
6 you before, had they?

7 A Yes, sir.

8 Q Oh, I see. Other people had?

9 A Not other people.

10 Q Mr. Parness?

11 A Mr. Parness.

12 Q Would it be fair to say that this made quite  
13 an impression on you, and these are words you would remember?

14 A The first time he said it I don't think that made  
15 too much of an impression. I didn't believe it.  
16 I didn't believe he meant it.

17 Q My question to you was, when he said this to you in  
18 June of 1971, these words as you gave them to the jury on  
19 the witness stand, those were words which certainly stuck  
20 in your mind, did they not?

21 A Yes, sir.

22 Q Isn't it a fact that when you discussed this  
23 very conversation with agents of the United States Government  
24 you said nothing about this story about you being found in the  
25 Caribbean if you didn't sign this letter, this same conver-



1 ebbr 3

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2 sation?

3 A It is very possible.

4 Q Well, sir, is it your testimony --

5 A Mr. Cohn --

6 Q Just a minute, Mr. Goberman. Is it your testi-  
7 mony that in giving the version of this conversation to  
8 agents of the prosecution --

9 THE COURT: That is argumentative.

10 MR. MC GUIRE: Objection, your Honor.

11 MR. COHN: Your Honor, obviously I have to  
12 follow it up.

13 MR. MC GUIRE: It is a question of the manner of  
14 the questions that are asked, your Honor.

15 THE COURT: All right.

16 MR. COHN: May I have this marked for  
17 identification, please.

18 (Defendants' Exhibit F was marked for  
19 identification.)

20 Q I believe we have established to everyone's  
21 satisfaction that you know Agent Glaze of the Internal  
22 Revenue Service, is that right?

23 A Yes, sir.

24 Q Do you also know an agent Daniel T. Hanlon, have you  
25 met him?

1 ebbr 4 Goberman-cross 295

2 A No, sir.

3 Q A colleague of Mr. Glaze?

4 A A Mr. Hanlon?

5 Q Yes.

6 A I don't believe I met a Mr. Hanlon.

7 Q Well, where were you living on May 1, 1972? Were  
8 you living at 104 Village Green Lane?

9 A Yes, sir.

10 Q Now, on or about that date it was a Monday, do you  
11 recall Mr. Glaze, Agent Glaze of Internal Revenue coming to  
12 your home?

13 A I don't recall that.

14 Q Has an Agent Glaze ever been to your home?

15 A Yes, sir.

16 Q On how many occasions?

17 A Because it is my office as well as my home.

18 Q Whatever it may be do you recall Agent Glaze  
19 having been there?

20 A He had been there numerous times.

21 Q Do you recall one time he went there when you  
22 furnished him with the names of companies to whom your  
23 construction company in St. Maarten owed money?

24 A I don't recall a specific visit by Mr. Glaze on that  
25 account by that sounds reasonable because he was discussing

ebbr 5

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my income tax affairs.

Q Do you recall giving to Agent Glaze a list of people who you owed money to in St. Maarten such as an Edward L. Heim of Harrisburg, Ralph Supply Company, and a bunch of others?

A It can't be answered that way. When you say I owed them --

Q I mean Goberman Construction Company.

A Goberman Construction, NV and I don't think I told him that I owed that money.

When you say Edward Heim & Company, would you give me the other names, please, on that list?

Q Sure. Ralph Supply Company, Herr & Company, Atlas Aluminum, William C. Ervin, Intelligencia Printing Company.

A Yes. I can answer that. I believe I told him at that time that some of these claims weren't valid claims and others were.

Q You do recall the conversation?

A If you have it there, I must have given it to him; yes, sir.

Q Did you in the same conversation discuss what was owned to Susquehanna Builders?

A I don't recall that. If it is there I must have

ebbr 6                      Goberman-cross

told him that.

Q     Now, with reference to the very same conversation, I have been inquiring about, namely, the conversation in Mr. Parness' hotel room in June of 1971 when you state you didn't want to sign a certain letter, and Mr. Parness said "You will be floating some place if you don't sign it", did you tell Agent Glaze, on May 1st, 1971, that what Mr. Parness said to you was "Jusg sign it," period?

A     I don't recall that.

Q     May I show to you Defendant's Exhibit F for identification? Would you read the whole thing -- it is short -- and then having read it would you please look particularly at paragraph 3 of page 2 and see whether that can refresh your recollection.

(Pause.)

A     What paragraph was that you wanted me to look at?

Q     The third paragraph from the top on page 2, the paragraphs relating to this conversation about what you told us here.

A     Is that the paragraph?

Q     Let me point it out to you exactly. It is a paragraph wherein --

A     Paragraph four?

1 ebbr 7 Goberman-cross

2 Q Let me show it to you. Not only the paragraph  
3 but let me show you the words.

4 A Yes, paragraph 4.

5 Q Does this refresh your recollection that in  
6 paragraph 4 you reported this conversation which you have told  
7 us about to Agent Glaze?

8 (No response.)

9 Q Does it refresh your recollection?

10 A Mr. Cohn --

11 THE COURT: You can answer the question.

12 THE WITNESS: I didn't even hear the question.  
13 I was trying to phrase my answer.

14 THE COURT: Well, don't worry about that.  
15 Do you recall discussing this agent with Agent Glaze?

16 THE WITNESS: Yes, sir. This is a statement  
17 by Agent Glaze so I must have discussed it with him.

18 THE COURT: All right.

19 THE WITNESS: And the fact that Agent Glaze, in his  
20 statement here says as follows "Parness answered 'Just sign it  
21 period.'" That doesn't at all mean that that's all  
22 I said.

23 Q Well, my question to you is, did you say this other  
24 sentence about floating in the Caribbean to Agent Glaze?

25 A I believe I did. I don't believe I would have just

1 ebbr 8

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2 given him part of the sentence. That fact that he doesn't  
3 have it --

4 THE COURT: Your best recollection is that you told  
5 him the full conversation?

6 THE WITNESS: If I told him part of it I told  
7 him the full conversation; yes, sir.

8 THE COURT: All right.

9 MR. COHN: May I take one more topic before our  
10 recess, your Honor?

11 THE COURT: Yes.

12 Q Now, directing your attention to March of 1971,  
13 Mr. Goberman, say around toward the end of March, what was  
14 your financial condition at that time? Was that a period  
15 when you told us you had absolutely nothing except the  
16 \$500 check you were supposed to be getting from the hotel?

17 A You mean was my total income at that time. That  
18 was supposedly my only income at that time, yes, sir.

19 Q Would it be fair to say you certainly by  
20 March 29, '71 were in poor financial condition?

21 A I would say that, yes, sir.

22 Q You certainly weren't in a position to give  
23 anybody \$20,000, were you?

24 A No, sir.

25 Q In or about March 20, 1971, did you forge the

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1 name of John Glandino to an instrument saying that you  
2 had given St. Maarten \$20,000?  
3

4 A That is not a very fair question. Of course not.

5 MR. MC GUIRE: Objection.

6 THE COURT: The answer is no, you didn't?

7 THE WITNESS: No, I didn't.

8 MR. COHN: May I have that marked for  
9 identification, please.

10 (Defendant's Exhibit G was marked for  
11 identification.)

12 Q First of all, I take it your testimony is that on  
13 or about March 20, 1971 you didn't give to John Blandino  
14 \$20,000?

15 A I didn't say that. You said that. You didn't  
16 ask me if I gave him \$20,000. You didn't ask me if I --

17 THE COURT: Wait a minute. Let us get back on the  
18 track. Don't worry about that, Mr. Witness.

19 Did you have any conversation with Mr. Blandino  
20 about \$20,000?

21 THE WITNESS: I most certainly did, sir.

22 THE COURT: Okay. What was the conversation?

23 THE WITNESS: The conversation was that I loaned  
24 Mr. Parness, Mr. Blandino, who was manager of the casino,  
25 the last \$20,000 that I had which was in a safe deposit

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2 box in the hotel with the promise that the following week  
3 when Mr. Parness cashes some checks that were given to him  
4 by people who gambled there, I would get the \$20,000 back,  
5 and that was my last \$20,000. And if I didn't lend it to  
6 him, he had the key to my box anyway, and he had been  
7 into my box previously.

8 Q Mr. Goberman, didn't you just tell this jury within  
9 the last five minutes that on or about March 20, 1971 you had  
10 no money to lend?

11 A I didn't say that.

12 Q To lend anybody \$20,000?

13 A I didn't say that. You asked me the question.

14 MR.COHN: Your Honor, may I have the question and  
15 answer read back.

16 THE WITNESS: You said it.

17 THE COURT: All right. All right. Let us stop  
18 arguing. The record will speak for itself on that.  
19 I don't think we need to go through it again.

20 MR. COHN: All right, your Honor.

21 Q In any event, your testimony now is that on or  
22 about March 20, 1971 --

23 MR. MC GUIRE: I object to this argumentative  
24 form of the question. Your testimony now and all that sort  
25 of business. Can't he ask the question without putting words



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in the witness' mouth?

MR. COHN: Your Honor, I think the jury can judge.

THE COURT: Yes, try to avoid the argumentativeness.

MR. COHN: I will try to avoid everything if I can, your Honor.

THE COURT: All right.

Q Is it your testimony now that you gave Mr. Blandino on or about March 20, 1971 \$20,000 in cash belonging to you?

A A few weeks before that, March 20th.

Q A few before March 20th?

A That's right. It would be at least ten days before that.

Q Did you receive any paper?

A Not that day.

Q Did you receive a paper from Mr. Blandino?

A Yes, I received a paper later, a few weeks later.

Q Would you look at Defendants' Exhibit G for identification and tell us --

A That's a copy of the paper Mr. Blandino gave me. It is a receipt for my \$20,000.

MR. COHN: I offer this in evidence.

MR. MC GUIRE: May I ask a question or two

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2 on voir dire, your Honor?

3 THE COURT: Yes.

4 VOIR DIRE EXAMINATION

5 BY MR. MC GUIRE:

6 Q Mr. Goberman, were you present when this document,  
7 Defendants' Exhibit G for identification, was prepared, that  
8 is, in the sense that it was typed?

9 A I was not in the office when it was typed, no, sir.

10 Q Were you present when it was signed?

11 A No, sir. It was handed to me.

12 THE COURT: By whom?

13 THE WITNESS: By Mr. Blandino, sir.

14 Q Do you have the original of this document?

15 A I believe it is in my files with other papers that  
16 I had sent out to St. Maarten.

17 Q The files at the St. Maarten Isle Hotel?

18 A My personal files that I sent down to the  
19 St. Martin Isle Hotel with the Goberman Construction  
20 Company files.

21 Q Do you have control over these files at the present  
22 time?

23 A No, sir, I didn't have control over them after  
24 I sent them down.

25 Q Do you know who does have control over them?

ebbr 13

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1  
2 A Mr. Parness has control of them.

3 MR. MC GUIRE: Since this is a copy, we object  
4 to it.

5 MR. COHN: I will call upon the witness to pro-  
6 duce at the afternoon session the original of it.

7 THE COURT: He says he can't because it is down in  
8 St. Maarten.

9 MR. COHN: Then I offer the copy in evidence.

10 THE COURT: Do you recall that this was about the  
11 time that you took the \$20,000 in cash and gave it to Mr.  
12 Blandino?

13 THE WITNESS: Yes, sir.

14 THE COURT: And he gave you this document?

15 THE WITNESS: He gave it to me about a week after  
16 I gave him the money.

17 THE COURT: About a week after he gave you the  
18 money?

19 THE WITNESS: That is right. And when I didn't get  
20 it I said Johnny, where is my money and he said I will  
21 give you a receipt for it.

22 THE COURT: All right. I will receive it. And we  
23 will take our morning recess, ladies and gentlemen. You  
24 may be excused for a few minutes.

25 (Defendants' Exhibit G for identification was

1 ebbr 14

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2 received in evidence.)

3 (Jury left the courtroom.)

4 MR.MC GUIRE: Your Honor, I would like to press  
5 my objection to a copy of this document being received in  
6 evidence. This witness has testified that the original  
7 as far as he knows in in the possession of Mr. Parness,  
8 and if the original exists, we, before the copy is received,  
9 are entitled to have a showing made in some form or other that  
10 the original doesn't exist.

11 THE COURT: Well, I don't know. The witness  
12 said he recalled this document. He said there was a week  
13 that he hadn't been paid, and you looked at it and you very  
14 quickly said that was a copy of that document.

15 THE WITNESS: Yes, because I slept with it.

16 THE COURT: It isn't proof of anything. It isn't  
17 a proof of signature. All it is is proof of a document,  
18 a copy of the document was given to him a week later.  
19 I don't really see any problem.

20 MR. MC GUIRE: Your Honor, the objection is based  
21 on lack of foundation to the copy. Now, there are a good  
22 many good reasons which I can explain to the Court where  
23 we would be very desirous of having the original on hand.  
24 One of them is that Mr. Cohn is contending that this copy  
25 contains a forged signature, and he had made it apparent that

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2 he is going to contend that Defendant's Exhibit G is a  
3 forged signature.

4 THE COURT: Are you making such a contention?

5 MR. COHN: Yes.

6 THE COURT: Well, that's different. I thought  
7 purely the problem was whether he had received the original  
8 of this document.

9 MR. MC GUIRE: The foundation question that Mr.  
10 Cohn asked was whether or not Mr. Goberman forged John  
11 Blandino's signature, and without the original we are not  
12 in a position to have handwriting analysis made, and we don't  
13 have the original and we would like to make analysis, your  
14 Honor.

15 MR. COHN: Your Honor, the original was Mr.  
16 Goberman's possession, and I can prove that very shortly.  
17 To start with, insofar as this is admitted now, this is  
18 admitted as something identified as being the exact  
19 copy.

20 THE COURT: That's all I was receiving it for.

21 MR. COHN: If I want to go further, you Honor  
22 can rule at that time.

23 THE COURT: That's all I am ruling on. I am  
24 ruling on the question of the forgery or if he can establish  
25 a forgery without the original.

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2 MR. MC GUIRE: May we have an offer of proof then  
3 as to this forgery so we know how to proceed?

4 MR. COHN: Well, I will ask some more questions,  
5 a few more questions after we resume on the question of  
6 where the original is, your Honor. I will be glad to do  
7 that.

8 MR. MC GUIRE: I have already examined him on the  
9 voir dire.

10 THE COURT: He indicated that he sent it down  
11 to St. Maarten.

12 THE WITNESS: Yes, to the hotel.

13 MR. COHN: This is one of those unhappy occasions  
14 where the documents I have don't accord with Mr. Goberman's  
15 statement of the facts so I just put a few questions to him  
16 and see if I can refresh his recollection again, and we are  
17 going to go -- at the moment as I understand it it is  
18 received purely as a document which he says is a copy  
19 of a document which he was given by Mr. Blandino.

20 If we are going to go into a forgery and Mr.  
21 Mc Guire thinks he needs an original or wants to object  
22 to handwriting testimony without it, well --

23 THE COURT: I would like you, Mr. Cohn, to inquire of  
24 your clients about the original of it.

25 MR. COHN: I think I know the answer right now.

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2 I dont want to say it in front of him, your Honor.

3 THE COURT: Okay.

4 MR. MC GUIRE: May we have an offer of proof,  
5 your Honor?

6 MR. COHN: Not in front of this man.

7 THE COURT: Of course. May we have an offer of proof  
8 though before this forgery testimony proceeds.

9 THE COURT: Definitely. We will. Yes. Surely.

10 (Recess.)  
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t4a am

MR. COHN: I am having a document marked for identification, if I may, your Honor.

THE COURT: All right.

MR. COHN: May I proceed while that is being marked?

THE COURT: Surely.

BY MR. COHN:

Q Mr. Goberman, what is your testimony as to when you last saw --

MR. COHN: I am sorry. I didn't tell the jury. This is very simple. It is Exhibit G. It is short. It is dated St. Maarten NA, March 20, 1971.

(Mr. Cohn read from Defendants' Exhibit G in evidence.)

(Defendants' Exhibit H was marked for identification.)

Q What is your testimony as to the last time on which you saw the original of Exhibit G in evidence?

A I don't remember when the last time was that I saw the original.

Q When were you down in St. Maarten last?

Let me try it this way: I believe you told us you were voted out as managing director. Was that in June or July of 1971?



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1  
2 A Yes, sir.

3 Q Did you return to St. Maarten after that?

4 A Yes, sir.

5 Q When did you next go back to St. Maarten?

6 A I don't remember the exact date.

7 Q Approximately.

8 A I don't remember the exact date.

9 THE COURT: He is asking approximately. Was it  
10 during that summer or fall?

11 THE WITNESS: I don't remember. A lot has hap-  
12 pened. I just simply don't -- I know why I made the trip,  
13 but I don't remember exactly when.

14 Q Drawing upon the fact that you remember why,  
15 could you try to give us some estimate? Was it during  
16 that same year of 1971, before the end of the year?

17 A I believe I can pinpoint it to something else.  
18 I do remember it was some time shortly after I received  
19 the first subpoena to appear in Brooklyn. Now, if you  
20 can -- you have that date.

21 Q I believe that we have that as November 1972.

22 MR. MC GUIRE: November 1971.

23 Q And it was before that?

24 A I would say it was right after that.

25 Q Right after November '71?

311

Q And it was before that?

A I would say it was right after that.

Q Right after November '71?

A Yes, sir.

Q So would it be fair to say before the end of the '71?

A I believe it was.

Q Was that the last time you were in St. Maarten?

A I don't recall that, but I recall that sentence  
use I went down to Curacao first.

Q At that time, namely, after November 1971, around  
 number or December of 1971, did you have the original  
 this note?

THE COURT: The original of this receipt?

MR. COHN: Note, your Honor. The original of  
in evidence.

A ' Well, I had it momentarily and then put it back  
e it was.

Q Where did you have it momentarily?

A I had sent my files to the hotel.

Q The question was where physically.

A In St. Maarten.

Q Where in St. Maarten, at which place?

A I don't know. I will try to -- I can't give it to

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2 you yes or not. I have to explain this to you.

3 Q Sir, my question is this.

4 A In a house across the street from a cemetery  
5 in St. Maarten, if that will help you.

6 Q Was it in a drawer or a box?

7 A It was in one of my files with a lot of other  
8 papers.

9 Q You took it out for a moment and then returned --

10 A Now, in order to get into the house I had to  
11 break into the house.

12 Q I don't really care about that, Mr. Goberman.

13 A I care.

14 THE COURT: Wait a moment. Let the witness  
15 answer. He is trying to tell you.

16 THE WITNESS: I am trying to tell him what hap-  
17 pened.

18 THE COURT: We are not interested really in  
19 what happened. Did you see the original of this document  
20 on this occasion?

21 THE WITNESS: Yes, sir.

22 THE COURT: All right. Don't worry what hap-  
23 pened. You did see it at that time. Was that the last  
24 time you had seen it?

25 THE WITNESS: I made copies and returned it to that

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2 file.

3 THE COURT: You made copies of it and returned it to  
4 that file in that house?

5 THE WITNESS: Yes, sir.

6 THE COURT: And that is the last time --

7 THE WITNESS: The house across from the cemetery,  
8 yes, sir.

9 Q That is the last time you say you saw the original  
10 of that note, is that right?

11 A Yes, sir, I believe that is correct.

12 Q Did you make the copies immediately upon coming  
13 across the note?

14 A That another copies. I made a number of copies  
15 of documents that I found there.

16 Q Would it be fair to say that was within a period  
17 of hours?

18 A I would say a period of days, not hours.

19 Q Was the note out of your possession at any time  
20 during that period?

21 THE COURT: I don't understand the question.

22 THE WITNESS: I don't know what he means by  
23 that.

24 Q After you took the note out of the file --

25 A I made copies and returned the note.

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1           Q     How long did this process take?

2           A     I think a day or so.

3           Q     Where was the note during this process?

4           A     Where was the note what?

5           Q     Where was the note during this process?

6           THE COURT:   Where did you make copies is what  
7           he is asking you.

8           A     I went to the chap who serviced the copying  
9           machines in the hotel, went to his home and office and asked  
10          him to make some copies for me.

11          Q     Except for this process, did you take the note  
12          any place else?       In other words, did you take it any  
13          place except from the file to the photostat room and back  
14          to the file?

15          A     I don't believe I took the original to where you want  
16          me to tell you, which was Mr. Gibson's office.

17          Q     Mr. Goberman, don't anticipate what I want you to  
18          tell us.

19          A     Well, it is quite evidence.

20          Q     It is evident to you, but it is not evident to the  
21          jury.   So if you will just answer my questions --

22          A     Yes, I will try.

23          Q     The fact is you took the note to a lawyer named  
24          Mr. Gibson, didn't you?

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1  
2 A No, sir.

3 Q Do you know a lawyer named Mr. Gibson?

4 A I certainly do. That is Mr. Parness' lawyer.

5 Q Did you know him before he was Mr. Parness'  
6 lawyer?

7 A Yes, sir.

8 Q You have identified him as Mr. Parness' lawyer.

9 A Yes, sir.

10 Q Who knew Mr. Gibson first, you or Mr. Parness?

11 A I beg your pardon?

12 Q Who knew Mr. Gibson first, you or Mr. Parness?

13 A Well, I was in the island before Mr. Parness.  
14 Therefore, I knew of Mr. Gibson, like I did other people,  
15 before Mr. Parness. I knew the bankers before Mr.  
16 Parness did.

17 THE COURT: We are not talking about the  
18 bankers. You knew Mr. Gibson in St. Maarten?

19 THE WITNESS: I knew of a Mr. Gibson in  
20 St. Maarten. He was one of the lawyers down there.

21 THE COURT: All right.

22 Q Did you present the original of Exhibit G to  
23 Mr. Gibson?

24 A No, sir.

25 Q You didn't?

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1 A No, sir. I presented him with a copy.

2 Q You presented him with a copy?

3 A With a copy.

4 Q Just like the copy we have in this courtroom, is  
5 that right?

6 A Exactly like that.

7 Q Pardon me?

8 A Well, there have been some changes made to this.

9 Q Tell us what changes have been made.

10 A Yes, this is what I handed him, but it was on  
11 a longer sheet of paper. Apparently you tore something  
12 off here. I don't know what you tore off here.

13 Q I tore off the bottom of the sheet, which was  
14 completely blank, except for something somebody else had written  
15 on it, and I showed it to Mr. Mc Guire.

16 A Well, this is a copy --

17 MR. MC GUIRE: Just so the record is clear,  
18 I consented to Mr. Cohn's tearing off the bottom portion.

19 THE COURT: Thank you.

20 Q Other than the length of the sheet, is there  
21 anything on this piece of paper which you want to tell  
22 us was not there the day you handed it to Mr. Gibson?

23 A No, sir. This is a copy of what I gave Mr. --  
24 amongst other papers, Mr. Gibson.  
25

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2 Q What happened after you gave this to Mr. Gibson?

3 A Well, I gave Mr. Gibson that, I also gave him a  
4 copy of the \$3-1/2 million note that the hotel owed to me,  
5 hotel corporation, I also gave him a copy of the supposed  
6 casino agreement where I was supposed to receive \$50 a day,  
7 and on the advice of the former --

8 Q My question was really what happened --

9 A I can't answer you yes or no, Mr. Cohn.

10 Q My question reall is --

11 MR. MC GUIRE: Excuse me, your Honor. Mr. Cohn  
12 asked what happened and the witness is trying to say and now  
13 Mr. Cohn against is interrupting him.

14 THE COURT: I don't think that is the question.  
15 The question is you did give Mr. Gibson a copy of this note.

16 THE WITNESS: Yes, sir.

17 THE COURT: Together with other documents?

18 THE WITNESS: Together with copies of other  
19 documents.

20 THE COURT: All right. Let us let it go at that.

21 Q What happened with reference to this note there-  
22 after?

23 THE COURT: Wait a minute. I don't understand  
24 that question.

25 He says he gave a copy of that to Mr. Gibson.



1 jhbr Goberman-cross

2 Is that correct?

3 THE WITNESS: Yes, sir.

4 THE COURT: All right.

5 A I said "Mr. Gibson" --

6 Q This conversation you are about to give us, does  
7 it concern this note?

8 A Yes, sir, and others, but I will just stick to  
9 this.

10 Q If you will stick to this, give us the conversa-  
11 tion.

12 A He said "Mr. Gibson, Mr. Isa, whom you know,  
13 who is a former minister of justice, told me that you  
14 might represent me even though I can't pay you for your  
15 representation."

16 Q Could you tell us about anything to do with  
17 this note?

18 A Yes, sir, it has something to do with that.

19 And I said "Here is \$20,000 coming to me, here  
20 is \$3-1/2 million coming to me, and here is \$50 a day for  
21 three or four months, whatever it is, coming to me. Can  
22 you collect on this? Mr. Isa says you can. On the  
23 casino agreement" --

24 MR. COHN: Your Honor, may I ask him to stick to  
25 this exhibit? We will be here --

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2 THE WITNESS: Well, this is important to him,  
3 is it not?

4 THE COURT: Finish your answer, but do it fast.

5 THE WITNESS: All right.

6 A I said "Mr. Isa, former minister of justice, said  
7 that on the casino \$50 a day agreement -- he said you can  
8 take that right into the casino with the constable and ask  
9 for that money because it is an agreement and get it."

10 He said, "Yes, I understand that."

11 He said, "Leave everything here with me."

12 I did and I come back the next day and I noticed  
13 quite a change in Mr. Gibson. At that time I realized  
14 that he had contacted --

15 Q Don't tell us what you realized.

16 THE COURT: Tell us what he did, sir, please.

17 Q Or what was said.

18 A He said "I took this note to the police and the  
19 police said that is not Mr. Blandino's signature on that  
20 note."

21 Q He told you it was a forgery, did he not?

22 A Well, I don't know whether he told me forgery. He  
23 said "It is not his signature."

24 I said "I can't help that. This is what he gave me,  
25 Mr. Gibson."

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2 I said, "That is another way that they do things,  
3 Parness and that whole gang of crooks. That is the way  
4 they do things."

5 Q Anything else you said to him?

6 A Well, have you got the time to listen to it?  
7 Yes. I said "I want my \$20,000."

8 Q Did Mr. Gibson ask you to accompany him to the  
9 police?

10 A No, sir.

11 Q And did you then say "Let us forget the whole  
12 thing"?

13 A No, sir. I took his copy and said, "I have copies  
14 of this." I just tore it up and threw it in his waste-  
15 basket.

16 Q Did Mr. Gibson tell you that he had determined this  
17 was a forgery and did he ask you --

18 MR. MC GUIRE: I object to that.

19 THE COURT: I sustain the objection to that.

20 THE WITNESS: Come on, Mr. Cohn.

21 MR. COHN: I am asking a different question, your  
22 honor, if I may.

23 MR. MC GUIRE: Object to anything that Mr. Gibson  
24 said unless he is here.

25 THE COURT: I sustain the objection.

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2 MR. COHN: May I have the last answer read,  
3 your Honor, the one before how long do I want to listen  
4 to him, the one dealing with the note?

5 (Record read.)

6 Q I would like to direct your attention to  
7 Exhibit H for identification, ask you to read it to your-  
8 self, particularly the last paragraph.

9 Does that refresh your recollection in any way  
10 as to the disposition of this note?

11 A It most certainly does.

12 Q You mentioned in the same conversation with  
13 Mr. Gibson something about the \$3-1/2 million note and that  
14 was what I would like to direct your attention to now. This is  
15 a little complicated and I want to see if we can take it  
16 step by step.

17 Do I understand your testimony to be that  
18 we are talking about a \$3-1/2 million note which you con-  
19 tend represented moneys which were due to you?

20 MR. MC GUIRE: Now I object to that. What Mr.  
21 Cohn is calling for in this question --

22 THE COURT: I think I want a side bar conference  
23 on this.

24 (At the side bar:)

25 THE COURT: What are you trying to show?

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2 MR. COHN: This is going to be unfortunately,  
3 your Honor, a little bit lengthy.

4 The indictment charges us with having defrauded  
5 him out of \$3 million which was due to him. I am going  
6 to try to show there was no \$3 million ever due to him,  
7 \$3 million which he claims was due to him. This is a  
8 key to this whole case. There was never a \$3 million that was  
9 due to him.

10 That is a specific count in the indictment, that  
11 we defrauded him out of a \$3 million note.

12 THE COURT: Which count are you talking about?

13 MR. ROSEN: It is Count 1, paragraph 3(n).

14 THE COURT #(n) says that defendants knowingly  
15 threatened physical violence to Allan Goberman to secure  
16 his signature on a letter in which Goberman acknowledged  
17 that he had exchanged bearer notes of Hotel Corp. with a  
18 face value of \$3 million for stock in Global Electronics.

19 MR. COHN: That is part of it, your Honor.  
20 This is one of the two guts of this whole case. The guts  
21 of this case are \$150,000 which they claim really belong to  
22 Marcus which belong to Goberman and the fact that he was  
23 threatened into giving them, signing away a \$3 million  
24 debt which was due to him. I want to show that no  
25 such thing ever happened.

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2 MR. ROSEN: Paragraph 4 of Count 1.

3 MR. COHN: There are about 30 references to it  
4 in direct examination.

5 THE COURT: And you say?

6 MR. MC GUIRE: The \$3 million in bearer notes that  
7 are referred to in the indictment, the paragraph which  
8 your Honor just read, are notes which are dated as of  
9 November 1970 and which this witness says that he was, in  
10 essence, forced to sign some time during the spring of 1971.  
11 They are not the \$3-1/2 million note which Mr. Cohn has started  
12 to examine about.13 Now I take it that what Mr. Cohn is going to  
14 attempt to show is that the \$3-1/2 million note, something  
15 else entirely, wasn't supported by proper consideration.16 THE COURT: They were the original notes at the  
17 time of the construction, as I remember.18 MR. Mc GUIRE: That's right. What we estab-  
19 lished on direct examination was that through a variety of  
20 devices Mr. Goberman caused money to be advanced to or for  
21 the benefit of the Hotel Corporation. He obtained  
22 personal loans from banks and advanced the money towards  
23 the construction of the hotel. He obtained corporate  
24 loans and advanced the money towards the construction of the  
25 hotel. As a result of that --

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THE COURT: He is entitled to go into that.  
He is entitled to go into the financing of the hotel.

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MR. MCGUIRE: I certainly agree, your Honor, but Mr. Cohn is not entitled, if I read the cases correctly, to attempt to establish independently of that that the three and a half million dollar note was not supported by proper consideration.

MR. COHN: It is a little more than that, your Honor, but I will certainly start with the financing and do it as quickly and expeditiously as I can.

THE COURT: I think you can cross-examine him about the financing of the hotel. I think that is all right.

MR. COHN: Why don't I start with that?

THE COURT: And he can say, as he did on direct, what the notes represented.

I think you can bring that out.

MR. MCGUIRE: He can cross-examine on that, show that it is not true, if he thinks it is not true.

But, your Honor, what I am wary of is an attempt to show prior bad acts that don't amount to a crime, and the cases are very clear that that is --

THE COURT: What do you mean? What kind of prior bad acts are you talking about?

This is under cross-examination.

MR. MCGUIRE: The kind of prior bad act that would be represented by drafting a note in favor of oneself that



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2 is not supported by proper consideration.

3 THE COURT: I think that has a bearing here. I  
4 think he can do that. But do it gently, don't get into  
5 these bad arguments.

6 MR. COHN: Your Honor, patience runs out.

7 THE COURT: Don't let yours run out.

8 MR. COHN: I will try.

9 THE COURT: You better be very, very patient.

10 MR. COHN: All right.

11 (In open court.)

12 BY MR. COHN:

13 Q Mr. Goberman, I want to try to take this chron-  
14 ologically.

15 You came down to St. Maarten for the first time  
16 you told I believe on direct examination 1967?

17 A Yes, sir.

18 Q That was at the suggestion of a man named Mr.  
19 Patz?

20 A Yes, sir.

21 Q He was from Pennsylvania?

22 A Yes, sir.

23 Q And he had been down there before you?

24 A I don't know whether he was down there before or  
25 not.

1 jh:mg 3

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2 Q He had some interest in the St. Maarten Isle Hotel?

3 A Not under that name. It was called the Bon Aire or  
4 Bon Bini Hotel at that time.

5 Q The St. Maarten Isle Hotel when it was in the  
6 planning stages at one time was called the Bon Bini Hotel?

7 A No, no. The original owners had built a por-  
8 tion of the structure under the name of Bon Bini Hotel  
9 in 1965.

10 Q When 1967 came and you appeared on the scene  
11 through Mr. Patz was this portion of the hotel standing?

12 A Yes, sir.

13 Q Under the name of Bon Bini?

14 A Under the name of the government. The government  
15 had repossessed it in a notarial sale, an auction sale, a  
16 sheriff's sale.

17 Q The government had foreclosed on it?

18 A They foreclosed on the mortgage, yes, sir.

19 Q They had foreclosed on the mortgage and taken over  
20 the property, is that right?

21 A Yes, sir.

22 Q So when you came down there in 1967 through Mr.  
23 Patz the hotel was in a partially completed condition?

24 A Yes, very minor, but partial.

25 Q And when you came down there who were the owners

1 jg:mg 4

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2 of this property?

3 Of course, I am excluding the government, which  
4 had foreclosed on the mortgage.

5 THE COURT: That is a confusing question.

6 THE WITNESS: I think I can answer that.

7 MR. COHN: Let me withdraw that.

8 THE COURT: He says he thinks he can answer.

9 MR. COHN: All right.

10 A I think I can answer that.

11 Mr. Patz and his associate, Mr. Gensler, had  
12 placed a deposit with the government at that time and  
13 placed a bid of -- I don't remember the amount. So while  
14 the property was still in the possession, ownership of the  
15 government they had put a deposit on it with their bid to  
16 buy it.

17 Q To buy it out of the foreclosure?

18 A Yes, sir.

19 Q Did they have an associate or a lawyer named  
20 Louis Hoffman?

21 A Yes, they did.

22 Q Did there come a time when they discussed with you  
23 an arrangement whereby you would become a participant in the  
24 completion of this project?

25 MR. McGUIRE: If Mr. Cohn is getting into

1 jh:mg 5

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2 conversations between Mr. Goberman and these other people--

3 THE COURT: I don't think the question is direct-  
4 ed to conversations.

5 Mr. Goberman, you said you went down there. I  
6 think you said you went to Curacao first and then you came  
7 back to St. Maarten on your first trip?

8 THE WITNESS: Yes, sir.

9 THE COURT: Tell us, what was your interest in  
10 doing down there, again?

11 THE WITNESS: As a builder. I was the contractor,  
12 supposed to be the contractor.

13 THE COURT: Your idea was to complete this  
14 hotel?

15 THE WITNESS: To build a hotel for somebody else,  
16 have no interest in it myself.

17 THE COURT: All right.

18 Q Was there a specific entity or corporation through  
19 which you planned to do the building?

20 A Yes, sir.

21 Q Was that Goberman Construction N.V.?

22 A No, sir.

23 Q What was it?

24 A It was one of my building concerns in Pennsylvania,  
25 Susquehanna Builders, Inc., which was 20, 25 years old.

1 jh:mg 6

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2 Q The original agreement for construction was with  
3 that company, is that right?

4 A Yes, sir.

5 Q Did there come a time when you formed an Antillean  
6 company known as Goberman Construction?

7 A Company N.V. Yes, sir.

8 Q That was known as Goberman Construction N.V.?

9 A Co. N.V. And this was done on the request of the  
10 Antillean Government.

11 Q Whatever it was, when was this done?

12 A It was all during that time.

13 Q Around 1968, would that be fair?

14 A Latter part of 1967, yes, sir.

15 Q Latter part of 1967?

16 A Early part of 1968. I don't recall.

17 Q So we now have around the latter part of 1967,  
18 beginning of 1968 a company called Goberman Construction  
19 Co. N.V., which was to complete for other people the  
20 construction of the hotel?

21 A Yes, sir.

22 Q About that time was the name changed from Bon Bini  
23 to St. Maarten Isle?

24 A It wasn't changed. At that time the corporation,  
25 St. Maarten Isle Hotel Corporation, was formed.

1 jh:mg 7

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2 Q Was that formed simultaneously with Goberman  
3 Construction?

4 A I don't recall that.

5 Q Around the same time?

6 A Around the same time, yes, sir, 1967.

7 Q As I believe you just told us, as I understand it,  
8 your interest was as a builder, not an owner of equity?

9 A At the very beginning, yes, sir.

10 Q Was your function as a builder to deliver to  
11 them a completed hotel? Was that the idea?

12 A What we in the construction trade would call  
13 a turnkey operation.

14 Q Could you explain that to us? What is a turnkey  
15 operation?

16 A A turnkey operation means a completion of a  
17 building, including all the appurtenances, including  
18 draperies, dishes. It means that you can move in.

19 Q In other words, you turn the key and you walk in?

20 A That's right, sir.

21 Q Nothing else has to be done?

22 A That's right, sir.

23 Q So if you contract to do it for x dollars, the  
24 idea is when you finally say, "Gentlemen, it is ready, "  
25 they turn a key and it is ready to use?

1 jh:mg 8

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2 A Yes, sir.

3 Q I understand that.

4 Who made this arrangement with Goberman Construc-  
5 tion Co. N.V.? Was it St. Maarten Isle Hotel Corporation?

6 THE COURT: You ask a perfectly good question and  
7 then keep talking.

8 Who did you make the arrangement with to do a  
9 turnkey job here.

10 THE WITNESS: St. Maarten Isle Hotel Corporation.  
11 They were the owners.

12 Q Who owned the St. Maarten Isle Hotel Corporation  
13 at that time, at the time--

14 MR. McGUIRE: Objection.

15 THE COURT: If he knows, he can answer it.

16 Do you know who owned it?

17 THE WITNESS: Well, there were a number of stock-  
18 holders, yes, sir.

19 THE COURT: Do you know who they were?

20 THE WITNESS: Yes, indeed.

21 I owned 52-1/2% of the stock and Mr. Patz and Mr.  
22 Glenser and others that I don't know, friends of theirs,  
23 owned 47-1/2% of the stock.

24 Q Was there an officer of St. Maarten Isle Hotel  
25 Corporation? Were you an officer?

1 jh:mg 9

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2 A No, sir, not an officer. The officer perse  
3 would be Mr. Wix, Juan Wix, whose name has come up before.  
4 He was the attorney for Patz and Hoffman and that crew and  
5 naturally followed through as the attorney for me because  
6 they owed him \$35,000.

7 THE COURT: No, no. Leave out the "because."

8 He was the attorney?

9 THE WITNESS: Yes, sir, he was the attorney, and  
10 he was the managing director.

11 A Mr. Goberman, what is the significance, to your  
12 knowledge, of the term "Managing Director"?

13 A The managing director is the executive officer  
14 of the corporation.

15 Q He is the one empowered to enter into agreements?

16 A He has the total power to enter into, yes, sir.

17 Q I think you explained that on direct.

18 A Yes, sir.

19 MR. McGUIRE: If Mr. Cohn is going any further  
20 with question sof Antillean law I think we might get into  
21 a thicket here, your Honor.

22 THE COURT: I think it helps the jury and me to  
23 know what a managing director is. The jury and I want to  
24 understand.

25 He is the executive officer?



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2 THE WITNESS: Yes, sir.

3 Q The last thing I was going to ask you about  
4 that, he is empowered to sign agreements in behalf of the  
5 corporation?

6 A He has the power to do anything the executive of-  
7 ficer of any corporation would have the power to do.

8 Q I understand that.

9 By the way, was this turnkey thing between Goberman  
10 Construction Co. N.V. and St. Maarten Isle Hotel Corporation  
11 ever formalized into any kind of agreement?

12 A Oh, yes.

13 MR. COHN: I think the Government has that as one  
14 of its exhibits.

15 THE WITNESS: I don't think that they would.

16 THE COURT: It doesn't matter.

17 MR. McGUIRE: I don't believe we have it, but  
18 Mr. Cohn has copies of all the exhibits.

19 THE COURT: All right.

20 MR. COHN: It is a Government exhibit, but I  
21 have a copy of it.

22 May I have this marked for identification.

23 You want to hold that a minute, please?

24 Mr. McGuire is kind enough to give me the ori-  
25 ginal.

1 jh:mg 11

Goberman-cross

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2 MR. MCGUIRE: No, it is just a copy.

3 MR. COHN: It is a copy too? All right.

xx 4 (Defendant's Exhibit I marked for identifica-  
5 tion.)

6 Q Mr.Goberman, I would like to show you Exhibit I  
7 for identification, and ask you to look at that and tell  
8 us whether this is what you referred to as the turnkey  
9 agreement between Goberman Construction and St. Maarten  
10 Isle Hotel Corporation for the construction of St. Maarten  
11 Isle Hotel.

12 A This is a copy of the contract, yes, sir.

13 Q Do you know where the original would be? Mr. Wix  
14 or some place?

15 THE COURT: Don't tell him.

16 Do you know where it is?

17 THE WITNESS: Yes, I do, your Honor. The original  
18 of this and all other originals are in my files that I  
19 sent down to the hotel.

20 THE COURT: So far as you know, they are down in  
21 the hotel?

22 THE WITNESS: Yes, sir.

23 Well, I don't know if they are still there.

24 THE COURT: So far as you know. You just sent  
25 them down there?

1 jh:mg 12

Goberman-cross

2 THE WITNESS: I sent them down with all my  
3 files, yes, sir.

4 I just want to check-- pardon me-- see who signed  
5 this.

6 Q Is that the copy?

7 A Yes, sir.

8 MR. COHN: I will offer that in evidence.

9 MR. McGUIRE: No objection.

10 THE COURT: Received.

11 (Defendant's Exhibit I received in evidence.)

12 Q This is on the form of the American Institute  
13 of Architects, is that right?

14 A I guess so. It was given to me by my architect.

15 Q This was given to you by your architect?

16 A Mr. Robert Weaver, yes, sir.

17 Q And then you had the contractual terms filled in,  
18 is that correct?

19 A No, no. Mr. Weaver filled that in. Mr. Weaver  
20 wrote that up.

21 MR. COHN: This is a standard form of agreement  
22 between owner and contractor. It is dated the 30th day  
23 of March, 1968. It is between the St. Maarten Isle Hotel  
24 Corporation and Goberman Construction Co. It calls for--  
25 I think I can say this, and Mr. McGuire will correct me if

1 jh:mg 13

Goberman-cross

37

2 he wants to add anything-- it calls for the completion of  
3 this turnkey job for the sum of \$5,950,000.

4 Is that correct?

5 A I believe so. You want me to look at it?

6 That's right, \$5,950,000. I knew it was around  
7 that figure.

8 MR. COHN: \$5,950,000, and states that delivery  
9 will be made, as Mr. Goberman has testified, in turnkey  
10 condition.

11 On the last page the agreement is signed for by  
12 Allan N. Goberman as owner of 90-1/2 percent of the stock  
13 of St. Maarten Isle Hotel Corporation and it is signed for  
14 as contractor by Allan N. Goberman, owner of 98 per cent  
15 of Goberman Construction Co.

16 By the way, Mr. Goberman, did I recall you to  
17 say that you own 52-1/2 per cent of St. Maarten Isle?

18 A You recall me saying that at a certain time I  
19 owned 52-1/2 per cent, but you-- since that time, right  
20 after that, I acquired, purchased 200,000 more shares of  
21 stock in the corporation, which gave me 90-1/2 per cent.

22 Q You purchased these from the minority share-  
23 holders?

24 A No, sir. This was stock that had not been issued  
25 yet. This was the remaining stock of the corporation.

1 jh:mg 14

Goberman-cross

2 All the stock wasn't issued at the beginning. 37

3 Q This is what we would call Treasury stock?

4 THE COURT: Let's not get into Treasury stock.

5 THE WITNESS: It is not, and he knows it is not.

6 Q This would be authorized and unissued.

7 A Authorized and unissued, that's right.

8 Q About when were you issued this 200,000 shares?

9 A Some time prior to--

10 Q To March 30, 1968?

11 A March 30, it would have to.

12 Q The significance of this turnkey contract then  
13 was--

14 MR. McGUIRE: I object to that. I object to Mr.  
15 Cohn stating what the significance is.

16 THE COURT: I sustain the objection.

17 Try to ask the witness questions.

18 Q Did this --

19 THE COURT: The purpose of the contract would be  
20 to complete the hotel, I take it?

21 Q Did you hear his Honor's question?

22 A The purpose? I'm sorry.

23 THE COURT: The purpose of the contract was to  
24 complete the hotel?

25 THE WITNESS: I don't -- let's try it again.

jh:mg 14a

Goberman-cross

337a

1  
2 Q The purpose of this contract was for the com-  
3 pletion of the hotel for \$5,950,000 payable by St. Maarten  
4 Isle Hotel Corporation to Goberman Construction?

5 A That is correct, sir.  
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Goberman-cross

28

2 Q Now, at the time this agreement was entered  
3 into, had any mortgages been obtained on the St. Maarten  
4 Isle Hotel?

5 A No, sir.

6 Q Following the entry of this agreement, did you  
7 cause to be issued to you a note in the sum of three and  
8 a half million dollars?

9 A Yes, sir.

10 Q And what did that note represent?

11 A That note represented the moneys that St. Maarten  
12 Isle Hotel Corporation was indebted to me personally, for  
13 moneys that I had borrowed and put in that I had loaned  
14 to St. Maarten Isle Hotel Corporation in order to pay  
15 Goberman Construction Co. N. V., in order to pay salaries  
16 and materials, and so forth, to build the hotel.

17 Q What was the date of that three and a half mil-  
18 lion dollar note?

19 A I don't remember it. I don't have it in front of  
20 me.

21 I think you have a copy of it.

22 Q I believe it was July 1968 and I think we do have  
23 a copy of it.

24 MR. McGUIRE: July 15, 1968. It is Exhibit 3 in  
25 evidence.

eb:mg 2

Goberman-cross

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Do you want it?

MR. COHN: No.

THE WITNESS: Have we established the date?

MR. COHN: July 15, 1968.

The turnkey agreement was March 30, 1968. The  
three and a half million dollar note was July 15, 1968.

THE WITNESS: Yes, sir.

Q Is it your testimony that by July 15, 1968 you  
had placed three and a half million dollars into the  
construction of this project?

THE COURT: That isn't what he said. That isn't  
what he said.

THE WITNESS: I don't understand it, your Honor.

THE COURT: I know.

I wish you wouldn't do this, Mr. Cohn. I think  
his testimony was that he made advances to the hotel cor-  
poration so that hey could pay Goberman Construction.

MR. COHN: Perfect.

Q Is that your testimony?

Did you make advances?

A I just finished saying that just a moment ago.

Q Mr. Goberman --

THE COURT: Would you relax, Mr. Cohn? That is  
what he said.



1 eb:mg 3

Goberman-cross

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2 THE WITNESS: He makes me nervous.

3 Q Mr. Goberman, could you relieve my nervousness  
4 a little and tell me, would you please itemize for the jur-  
5 three and a half million dollars that you directly or  
6 indirectly made available for this project prior to the is-  
7 suance of the July 15th, 1968 note?

8 MR. MCGUIRE: I object to the question.

9 THE COURT: I am going to sustain the objection  
10 to that.

11 THE WITNESS: If you ask me a direct question I  
12 can answer it but you are going around in circles.

13 Are you trying to say: Did you have three and  
14 a half million dollars in at that time? Is that what you  
15 are asking me?

16 Q Yes.

17 A Almost.

18 Q That is what I am asking.

19 A Then all you have to do is ask me directly and I  
20 can answer you.

21 I am not accustomed to going around in circles.

22 THE COURT: Don't comment.

23 THE WITNESS: He keeps commenting on everything  
24 I say, your Honor.

25 MR. COHN: Your Honor, may I get an answer to my  
question?

1 eb:mg 4

Goberman-cross

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2 A Three and a half million dollars wan't in all  
3 at that time but I had made commitments to borrow more  
4 money from the banks and within a very short time after  
5 that, by the time I would have borrowed the rest of my  
6 money, I would have had three and a half million dollars  
7 in there.

8 Q All right.

9 As of the time you caused a note of three and  
10 a half million dollars to be issued to you, how much money  
11 had you put into this project?

12 A Well, I am going to have to answer you in two  
13 parts.

14 First of all I didn't cause the note to be is-  
15 sued. The managing director of the company, the attorney  
16 and managing director, who was working closely with the  
17 government of the Netherlands Antilles said, "I am going  
18 to give you a note for three and a half million dollars.  
19 How much do you have in it now?"

20 I said, "I don't know, but we can figure it out.  
21 I don't have three and a half million but I have close to  
22 two million or more in it. But in a short time I will have  
23 at least three and a half million dollars in it. My money  
24 and borrowings."

25 Q Is it your testimony, then, that as of July 15,

1 eb:mg 5

Goberman-cross

2 1968, when you received this three and a half million<sup>4</sup>  
3 dollar note, you had about two million dollars in, approxi-  
4 mately?

5 A Between two and two and a half million dollars.

6 Q And briefly where had you obtained those funds?

7 A Borrowed.

8 Q Where?

9 A We went over this before.

10 THE COURT: He wants it again.

11 THE WITNESS: Well, all right.

12 American Bank and Trust Company of Reading,  
13 Pennsylvania.

14 Q How much?

15 A I don't remember how much at that time. It might  
16 have been over a million dollars. I don't remember. I  
17 don't have my records here.

18 Q Have you checked the bank for the records?

19 A I beg your pardon?

20 Q Have you checked with the American Bank for those?

21 MR. McGUIRE: I object.

22 THE COURT: Sustained.

23 Q American National around a million dollars?

24 MR. McGUIRE: If Mr. Cohn wants the records  
25 from the bank, he can subpoena them.

1 eb:mg 6

Goberman-cross

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2 A I don't remember, Mr. Cohn.

3 THE COURT: I think you did go into it to give  
4 us some of these sources, and you have got the American  
5 Bank.

6 And who else was there?

7 THE WITNESS: Conestoga National Bank; and  
8 my own money, \$300,000 of my own money.

9 Q Approximately how much?

10 THE COURT: Please don't do this.

11 A I won't answer because I haven't got my records  
12 and there is no sense of me guessing, Mr. Cohn.

13 Q Can you tell us how much you had borrowed from  
14 any one bank at the time you say you--

15 A I cannot tell you at that time. I don't have the  
16 records before me.

17 Q Now, American National, Conestoga and was there  
18 a third bank you mentioned?

19 A I would have to have a pencil and paper, the  
20 same as he did, your Honor.

21 THE COURT: Well, you can have a pencil and  
22 paper but you mentioned the names of some of these.

23 THE WITNESS: You want the rest of the names of  
24 the banks that I did business with?

25 THE COURT: Yes.

eb:mg 7

Goberman-cross

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THE WITNESS: That's all he has to say.

A Conestoga, Fulton, American Bank and Trust Company of Pennsylvania, \$450,000 from one of my corporations, and -- go ahead.

Q The the borrowings from those three banks plus \$450,000 --

A I would say that at that time it was about two million dollars or more.

Q About two million dollars?

A Yes.

Q As of the time--

A However, I had commitments. I had letters of credit that had to be given to purchase materials. I had one letter of credit of \$220,000 for kitchen equipment that I was responsible for.

While it was on a direct loan from the bank at that time, it was a letter of credit that was issued to the supplier.

I had numerous other letters of credit at that time that could have come to over a million dollars.

Q Isn't it a fact that this difference between two million and three and a half million dollars was to allow for obligations you might have to assume such as payments to suppliers? Is that fair?

1 eb:mg 8

Goberman-cross

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2 MR. MCGUIRE: Objection, your Honor.

3 THE COURT: I don't know why you keep re-testing  
4 this, Mr. Cohn. I am going to sustain the objection to  
5 that.

6 He said at the time, as I understand it, that  
7 you had obligations outstanding in the form of letters of  
8 credit for material and supplies that were going into the  
9 hotel, is that right?

10 THE WITNESS: Yes.

11 Q Were those personal letters of credit issued by  
12 you or were those letters of credit issued by the corpora-  
13 tion?

14 A I believe they were issued by the corporation  
15 with my personal guarantee.

16 THE COURT: When you say "by the corporation,"  
17 do you mean Goberman Construction?

18 THE WITNESS: Some might have been Goberman  
19 Construction Company with my personal guarantee. As a  
20 matter of fact, your Honor, I think that is the way  
21 American Bank had all their obligations.

22 THE COURT: Tell the jury, don't tell me.

23 THE WITNESS: Oh, I'm sorry.

24 The one bank, their loans were to Goberman Con-  
25 struction Co. N.V. with my personal guarantee, and others

1 eb:mg 9

Goberman-cross

2 were perhaps to the hotel with my personal guarantee.

3 Q Now, Mr. Goberman, isn't it a fact that this con-  
4 tract, Exhibit I in evidence, is not the actual contract  
5 entered into between St. Maarten Isle Hotel Company and  
6 Goberman Construction?

7 A When you say isn't it a fact, I don't know what  
8 you mean.

9 THE COURT: Well, was any other contract between  
10 St. Maarten and the Goberman Construction Co. other than  
11 this one that--

12 A There were several other contracts.

13 THE COURT: You mean there were several other con-  
14 tracts?

15 THE WITNESS: Yes, your Honor. Because it was im-  
16 possible to know exactly what it would take to build  
17 the hotel, and during the change of one of the contracts,  
18 due to the fact that we had a shipping strike, at which  
19 time we could not get the necessary important materials to  
20 the Island from the New York docks, and at which time we had  
21 a payroll that had to be met for American workers that I  
22 took down, of close to \$80,000 a week, and then we had ad-  
23 ditional costs.

24 Q Is it your testimony that from time to time on  
25 different dates there were modifications?

1 eb:mg 10

Goberman-cross

4

2 A There were modifications, yes, sir.

3 Q But this is certainly the only contract entered  
4 into on this time, March 30, 1968?

5 A I don't remember that.

6 Q Mr. Goberman, isn't it a fact that the actual  
7 contracts signed on this very day, March 30, 1968, called  
8 for a payment to you--

9 MR. MCGUIRE: I object. This question is argu-  
10 mentative.

11 If he has another contract he can show it to the  
12 witness. How many times do we have to go through this?

13 MR. COHN: I don't have to be lectured by Mr.  
14 McGuire.

15 THE COURT: Let me see the contract before you ask  
16 that question.

17 MR. COHN: This is the one in evidence, your  
18 Honor.

19 THE COURT: I understand that, but I want to look  
20 at it.

21 Now what is the question?

22 MR. COHN: I didn't get it out, your Honor.

23 (Question read.)

24 Q -- not of five million, nine hundred and fifty  
25 thousand dollars, but of three and a half million dollars?



1 eb:mg 11

Goberman-cross

(4)

2 A Are you asking me a question?

3 THE COURT: Well, the contract says \$5,900,000.

4 He wants to know if there was a contract on that  
5 day that provided for a payment of three and a half million  
6 dollars to you?

7 THE WITNESS: I know there were other contracts  
8 but I doubt-- if there was one for three and a half mil-  
9 lion dollars -- actually, regardless of the contract, I  
10 built the hotel to \$5 million.

11 Q Mr. Goberman, you have submitted this contract,  
12 Defendant's Exhibit I in evidence, to accountants and  
13 various people as being the final contract--

14 MR. MCGUIRE: I object to this.

15 THE COURT: I sustain the objection to all this.  
16 I don't know what you are talking about.

17 MR. COHN: I can only do it one question at a  
18 time.

19 THE COURT: I sustain the objection.

20 MR. COHN: Okay, fine.

21 Q Mr. Goberman, wasn't there another contract signed  
22 the very same day, March 30, 1968, which said that the  
23 turnkey price should be three and a half, not five million,  
24 nine hundred fifty thousand dollars, that very same day, March  
25 30, 1968?

1 eb:mg 12

Goberman-cross

2 A Why was there another contract signed?

3 THE COURT: That isn't the question.

4 The question is, was there a contract signed the  
5 same day?

6 THE WITNESS: He has a copy of it in his hand and  
7 he is asking me.

8 THE COURT: Wait a minute, please, Mr. Goberman.

9 THE WITNESS: I would assume so.

10 I saw a contract for that amount.

11 THE COURT: For three million, five hundred thousand  
12 dollars?

13 THE WITNESS: Yes, and there were several more  
14 contracts.

15 Q Just a moment, sir.

16 A Go ahead.

17 Q My question is on this very day, March 30, 1968,  
18 was a turnkey contract --

19 A I believe there was.

20 Q Was it word for word --

21 MR. COHN: May I have this marked for identi-  
22 fication.

23 Q Was it word for word?

24 A Exactly.

25 Q "I" in evidence except Goberman Construction was to

1 eb:mg 13

Goberman-cross

2 be paid not five million, nine fifty but three and a  
3 half million?

4 A Yes, sir.

5 Q And wasn't the three and a half million dollar  
6 contract signed by Juan Wix as managing director of the  
7 corporation?

8 A If he made it up down on the Island then he must  
9 have signed it.

10 Q And isn't it a fact that I in evidence is not  
11 signed by Mr. Wix as managing director but is signed by  
12 only one person, Allan Goberman, as the owner and Allan  
13 Goberman as the contractor?

14 A That is correct.

15 Q Would you please look at Exhibit J for identi-  
16 fication and tellus whether that is the turnkey contract  
17 for three and a half million dollars signed exactly the  
18 same day?

xx 19 (Defendant's Exhibit J marked for identi-  
20 fication.)

21 A Yes, I have seen this.

22 THE COURT: Do you remember signing that contract?

23 THE WITNESS: Yes.

24 THE COURT: And Mr. Cohn says it was the same day.

25 THE WITNESS: I don't know if it was the same day.

1 eb:mg 14

Goberman-cross

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2 I think it was mailed to me. I don't know that  
3 it was the same day. I doubt it but it was mailed to me and  
4 I signed it in Pennsylvania but Mr. Wix made this up on  
5 the Island.

6 MR. COHN: I offer it in evidence, your Honor.

7 (Pause.)

8 MR. McGUIRE: A cople of questions, if I might,  
9 your Honor.

10 VOIR DIRE EXAMINATION

11 BY MR. McGUIRE:

12 Q This is a Xerox copy, Mr. Goberman, and it is a  
13 little hard to tell, but there is something on the first  
14 page of this that looks as if it was pasted over something  
15 else.

16 A Yes.

17 Q Can you explain that at all?

18 A Yes, I can explain it.

19 This is proof to me --

20 Q No, never mind what it is proof of.

21 A These are the records that I sent to the Island,  
22 and it is very questionable in my mind as to --

23 THE COURT: Don't say that. Something is torn  
24 off there.

25 THE WITNESS: My eyesight is not as good as this

1 eb:mg 15

Goberman-cross

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2 young man's here and something was placed on top of this  
3 as I see it now and Xeroxed and you can see it, I mean, if  
4 you care to see.

5 THE COURT: In other words, it isn't the same  
6 contract as you remember it?

7 THE WITNESS: No. I think one of the most impor-  
8 tant things that we must remember --

9 THE COURT: No. Please don't comment on this.

10 THE WITNESS: I know what that is and I saw  
11 changes there.

12 Q On the last page of this Mr. Goberman, there is  
13 a signature in ink.

14 Is that your signature?

15 A Yes, sir.

16 Q And there is a signature as a majority shareholder  
17 of St. Maarten Isle Hotel Corporation, and there is also  
18 a signature as Goberman Construction Co.?

19 A Yes, sir.

20 Q Right?

21 A Yes, sir.

22 Q Now, there is also another signature on here, do  
23 you recognize that?

24 A That appears to me to be Juan Wix's signature as  
25 managing director.

1 eb:mg 16

Goberman-cross

2 Q Did he sign it in your presence?

3 A No, sir. As a matter of fact, this was not -- I  
4 had signed blank copies for Mr. Wix and sent them down  
5 to him.

6 Q Now, Mr. Goberman, on every page of this, except  
7 the last page, there appears an initial; is that your  
8 initial?

9 A No, sir.

10 Q Did you ever put your initials on this, on every  
11 page of this contract?

12 A No, sir.

13 Q Would you--

14 A I recognize the initials.

15 Q Whose is it?

16 A Mr. Six's. That is the Antillean way. When  
17 they read it that's how they acknowledge that they have  
18 read it.

19 Q Would you look at this document, please, care-  
20 fully, page by page, and tell us whether each page of this  
21 document constitutes a true copy of a document that you  
22 signed at or about March 1968?

23 A I don't have the other one before me. Are you  
24 referring to the other contract?

25 Q Well, just look at this one and tell us whether you

eb:mg 17

Goberman-cross

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can recall as you sit here now--

THE COURT: Would it help you to look at the other one?

THE WITNESS: I believe I have the answer, your Honor.

THE COURT: Okay.

Q All I want to know is, is this the same document that you signed?

A No. I signed a number of blank last pages to send to Mr. Wix so that he could execute whatever he has to do as managing director.

Now, somehow all of this has been attached to it. This is my signature, and this is a last page of an AIA contract.

THE COURT: In other words, you are telling us that you signed that in blank and sent it to Wix?

THE WITNESS: I signed this page in blank.

THE COURT: So you don't know anything about the rest of it?

THE WITNESS: No, sir.

Q Did you ever, at or around 1968, look at the remainder of this contract?

A I have seen it since but I had not seen it then. I ran across this in my files in St. Maarten.

1 eb:mg 18

Goberman-cross

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2 MR. MCGUIRE: Maybe we better approach the side  
3 bar, your Honor.

4 THE COURT: Certainly.

5 (At the side bar.)

6 MR. MCGUIRE: Your Honor, I have serious question  
7 as to the authenticity of this document on the basis fo  
8 what the witness has said.

9 I don't know what purpose Mr. Cohn is offering  
10 them for. It may be that it doesn't make any difference.

11 THE COURT: Presumably for the figure of three mil-  
12 lion, three hundred sixty-five thousand dollars.

13 MR. MCGUIRE: What is that supposed to prove?

14 THE COURT: And I think the witness did say he  
15 signed another contract for three million, five hundred  
16 thousand dollars if I remember it correctly but I won't  
17 receive this one because I don't know if that is the one  
18 or not, but his testimony is that he did sign another  
19 one whre the figure instead of five million was three  
20 million so I think I will leave it at that.

21 MR. COHN: I will take an exception.

22 (In open court.)

23 MR. MCGUIRE: I take it for the record that the  
24 offer is withdrawn?

25 MR. COHN: Oh, no.



1 eb:mg 19

Goberman-cross

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2 THE COURT: No. It will remain marked for iden-  
3 tification for any further use at the trial but I don't  
4 think Mr. Goberman could assure us that that was the con-  
5 tract that he signed.

6 You just said you signed these things in advance,  
7 that last page, and you sent it down to somebody else, so  
8 you don't know whether this is the actual contract?

9 THE WITNESS: No, sir.

10 THE COURT: But as I do recall your testimony, you  
11 did sign one of these contracts where the amount was  
12 three million, five hundred thousand dollars rather than  
13 five million, nine?

14 THE WITNESS: My signature is on the last page.

15 THE COURT: I am not worrying about your signa-  
16 ture but you did sign a contract, did you, where the figure  
17 in the contract as three million, five hundred thousand  
18 dollars?

19 THE WITNESS: No. The one I signed was where the  
20 figure was five million, nine-fifty.

21 THE COURT: I thought before that you said that--

22 THE WITNESS: No, sir.

23 THE COURT: You didn't sign any contract where  
24 the figure was three million, five hundred thousand dollars?  
25

ebbr 1

Goberman-cross

t5b am

BY MR. COHEN:

Q Wasn't this \$3,500,000 note issued pursuant to a contract which called for turn-key completion for \$3-1/2 million?

A No, sir.

Q Isn't that how the \$3-1/2 million was arrived at for the note?

A \$3-1/2 million was arrived at by the managing director for the amount of money that I had put into the hotel job at that time and commitments that I made. I believe I explained that to you before.

Q Mr. Goberman, referring to Government's Exhibit I in evidence, can you show me any place on this document wherein appears the signature of Juan Wix as managing director's initials?

MR. MC GUIRE: Conceded it is nowhere on the document.

A I told you his signature was not on this because this was done in Pennsylvania and I told him I was going to sign this because my architect was there, my architect was very ill at that time and as a matter of fact he died right after this and I said I am going to send this down to you and then whatever appendix you have to put on here to guarantee the signature, you do so, and that was agreed with

1 ebbr 2

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2 Mr. Wix.

3 Q Now, you didn't follow the procedure you followed  
4 in the case of this last page you testified about when  
5 Mr. Wix -- withdrawn.

6 Did you ask Mr. Wix to execute this document as  
7 managing director and then send it to you for your authen-  
8 tication?

9 A I didn't ask him to execute it. I said, "I'm  
10 going to send it to you. Whatever you have to do  
11 as managing director to -- what shall I say -- identify  
12 this or corroborate what I'm doing here do it," and  
13 he said he would. There were ways that he could do it.  
14 He was being paid to do that.

15 Q Pardon me?

16 A He was being paid to do that work.

17 Q From the face of the document, he --

18 A Well, he has -- I don't know where you got this  
19 but he has this, or he had before him -- incidentally, he  
20 died recently.

21 Q Mr. Wix died recently?

22 A I think all my witnesses are in the graveyard.  
23 The office has one of these \$5-1/2 million, or their  
24 particular \$5,950,000 standard form of agreement, and while  
25 I don't have a copy of it here, there was an attachment to

ebbr 3

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1 this signed at a little later date that he acknowledges  
2 these signatures and even though I was not managing director  
3 it is a legal act of me, and this was put into my files  
4 down in St. Maarten.  
5

6 Q Was there some litigation down in the Antilles?

7 MR. MC GUIRE: I object to litigation between anybody  
8 and anybody unless Mr. Cohn makes it apparent what the  
9 purpose of the question is. Mr. Goberman has been in a lot  
10 of disputes as he testified on direct examination.

11 THE COURT: Well, I don't like the question  
12 of the way it starts. Start it all over again.

13 Now what is the question about?

14 Q Was a turn-key contract in the sum of \$3-1/2  
15 million rather than \$5,950,000 submitted in the course  
16 of a litigation to which you were a party?

17 THE COURT: The answer is no, isn't it?

18 THE WITNESS: I don't know what he is talking  
19 about. Try it again.

20 THE COURT: The question is very easy. He is  
21 asking you whether there was a contract where the figure  
22 was three million five instead of five million nine.

23 THE WITNESS: I couldn't answer that.

24 THE COURT: It was submitted in a litigation  
25 in which you were a party in the Netherlands Antilles.

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1 THE WITNESS: I can't answer that. I don't know.

2 Q Was there a litigation over moneys between Goberman  
3 Construction and the Netherlands Antilles government?  
4

5 A I don't understand that.

6 THE COURT: Did you have a lawsuit with the  
7 Netherlands government regarding the --

8 THE WITNESS: I don't remember that.

9 Q There was a bankruptcy proceeding, wasn't there?

10 A Why didn't you say that the first time? I could  
11 have told you that.

12 Yes, Goberman Construction Company was adjudged  
13 a bankrupt by an attorney down there by the name of H.C.P.D.  
14 VanDervoort of Holland and that is the reason why I sent  
15 my files -- now just a moment, Mr. Cohn. I can't give  
16 him half answers.

17 THE COURT: All right, continue.

18 A This is the reason why I sent my personal, my  
19 Goberman Construction Company files to St. Maarten to  
20 prove to this bankruptcy referee, that he claimed that  
21 Goberman Construction Company was not paid for any of the work  
22 and I had evidence that it was paid for the work, all but the  
23 last \$200,000, and most of that were amounts that were  
24 questionable. And I sent my files down to the island in  
25 order to prove to this referee in bankruptcy that he was

1 ebbr Goberman-cross 361

2 wrong.

3 Q My question was, in connection with this suit  
4 was a turn-key contract dated March 13, 1968 calling for  
5 completion at \$3-1/2 million --

6 A I believe I answered that, and I don't know.  
7 If it is so, I don't know how it got there. I can't tell you.  
8 I don't know that under the Antilles law he was allowed to --  
9 what is the word I want to use? -- take, grab -- under the  
10 law the referee in bankruptcy was allowed to walk into the  
11 hotel and say "Where are the records of Goberman Construction  
12 Company NV. Under the law I want them."

13 And also under the law they can keep me from leav-  
14 ing the island as I was -- I am personally responsible --  
15 you must remember that directors are personally responsible.

16 THE COURT: Mr. Goberman, don't get into all the  
17 legal questions. Try to answer the questions, please.

18 THE WITNESS: All right, sir.

19 Q Was one of the documents which --

20 A I don't know.

21 THE COURT: He doesn't know. He said he doesn't  
22 know.

23 THE WITNESS: I told you four times I don't know.

24 Q After you signed a piece of paper in blank --

25 MR. COHN: May I segregate this, please, your

1 ebbr

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2 Honor, the last page?

3 THE COURT: I don't know what you are doing. This  
4 isn't Houdini. This is a court proceeding.

5 MR. COHN: I was going to ask him if he signed  
6 this paper in blank and Mr. Wix executed it, what does he  
7 say this signature page applies to? May I ask him that?

8 THE COURT: Well, you can't ask it in that way.

9 I think you did say that around this period you did  
10 sign pages in blank and send them to --

11 THE WITNESS: Plus other legal documents in blank that  
12 he asked me to sign for him.

13 THE COURT: You mean down to Mr. Wix?

14 THE WITNESS: Yes.

15 THE COURT: Now, what is the question?

16 Q The question is this: How many pages printed  
17 AIA document, owner-contractor agreement, signed by  
18 you for St. Maarten Isle Hotel Corporation and signed by  
19 you for Goberman Construction Company did you execute in  
20 blank and send to Mr. Wix?

21 A How many of those last pages?

22 Q Yes.

23 A I don't know. Just an original and I made some  
24 copies. I don't remember.

25 Q This was on one occasion?

1 ebbr

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2 A Might have been on several because he was forever  
3 sending me documents in Dutch and asking me to sign them.

4 Q Mr. Goberman, this is not a document in Dutch;  
5 this is an American --

6 A It is just one of many documents though, Mr.  
7 Cohn, and I signed it in blank. I admit that.

8 Q Mr. Goberman, does this document -- would you  
9 look at it, please, the last page?

10 A Yes.

11 Q By the way, you might want to compare it with the  
12 last page of Exhibit I in evidence?

13 A Yes, sir.

14 Q Does this document pertain to an owner-contract  
15 for building? Look at the printing on the bottom of the  
16 page you say you signed.

17 A I don't think there was anything typed on this  
18 when I signed it. I think it was just blank.

19 Q Mr. Goberman, is the bottom of that page a printed  
20 form from an owner-contractor agreement?

21 A I don't know what you mean.

22 THE COURT: The legend at the bottom of the  
23 page.

24 THE WITNESS: AIA Document A 101. Owner-  
25 contract agreement.



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1 THE COURT: That's a form, isn't it?

2 THE WITNESS: Is that what you mean, sir?

3 Q Yes.

4 A September 1966 edition, the American Institute  
5 of Architects, 735 New York Avenue, Northwest, Washington,  
6 D.C..  
7

8 THE COURT: I think the question is, that's a form  
9 isn't it, used by architects and builders?

10 THE WITNESS: Yes.

11 THE COURT: All he's asking you is do you recall  
12 how many of those pages from an architect's form you signed  
13 in blank and sent to Mr. Wix.

14 THE WITNESS: I don't recall.

15 THE COURT: Would you say there were more than  
16 one?

17 THE WITNESS: I really don't recall.

18 THE COURT: You don't know?

19 THE WITNESS: No, your Honor. I really don't  
20 recall.

21 THE COURT: All right, we will take our luncheon  
22 recess now and resume at 2 o'clock. Please don't discuss  
23 the case with anyone in the meantime.

24 (Jury left the courtroom.)

25 MR. MC GUIRE: Would this be a convenient time

\*\*\*

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\* \* \*

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la pm

AFTERNOON SESSION

2:00 p.m.

(In open court; jury present.)

A L L A N     G O B E R M A N, resumed.

THE COURT: Good afternoon, ladies and gentlemen.

You may proceed, Mr. Cohn.

MR. COHN: Thank you, your Honor.

CROSS EXAMINATION (Continued)

BY MR. COHN:

Q     Mr. Goberman, the original contract for the construction of the hotel was entered into with a company Susquehanna?

A     Yes, sir.

Q     What was that full name, Susquehanna Builders?

A     Susquehanna Builders, Inc.

Q     What was the amount of that contract?

A     I don't recall.

Q     Was it \$2-1/2 million?

A     I have no idea.

Q     If I suggest to you it was \$2-1/2 million does that refresh your recollection that it was that amount?

A     That does not refresh my recollection, no, sir.

Q     Do you have any recollection as to what the amount

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2 was?

3 A No, sir.

4 Q Approximately?

5 A No, sir!

6 Q The next succeeding contract after that was one  
7 executed -- I am sorry -- was one dated March 30, 1968,  
8 was it not?

9 A I don't remember.

10 MR. MC GUIRE: I object to that, your Honor.  
11 We have been over this ground an awful lot.

12 THE COURT: I know we have.

13 You don't remember the date, anyway?

14 THE WITNESS: No, I wouldn't remember the date.  
15 If he told me which one he was referring to --

16 THE COURT: I think he wants to know where the next  
17 one was entered into by Goberman Construction Company.

18 THE WITNESS: There might have been one in between  
19 there. I am not sure.

20 THE COURT: There might have been one in between,  
21 you don't remember?

22 THE WITNESS: Yes.

23 Q When the March 30, 1968 agreement was entered  
24 into did Mr. Wix, the managing director, ask you to confirm  
25 that that agreement replaced and cancelled out the previous

1 jhbr

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2 agreement with Susquehanna Builders?

3 A I don't recall.

4 Q Was the agreement dated March 30, 1968, the turn-  
5 key agreement, executed by Mr. Wix in St. Maarten and returned  
6 to you executed?

7 MR. MC GUIRE: Objection, your Honor.

8 THE COURT: He can answer that if he remembers.

9 MR. MC GUIRE: We have tow agreements of that date  
10 already.11 THE COURT: I know, but I think he is talking about  
12 the one that is in evidence. Is that correct?13 MR. COHN: I am talking first about the one in  
14 evidence.

15 Q That is not executed by Mr. Wix, is it?

16 A You showed me two agreements and I don't know  
17 which one you are referring to.18 THE COURT: He is referring to the first agree-  
19 ment.20 THE WITNESS: Referring to the \$5,900,000 agreement?  
21 Is that the agreement you are referring to?

22 Q That is not executed by Mr. Wix, is it? .

23 A No, no.

24 Q Isn't it a fact that the agreement of March 30,  
25 1968 for the construction of this hotel was executed

1 jhbr

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2 by Mr. Wix?

3 THE COURT: I will sustain an objection.

4 A No, no, no. We went over that.

5 MR. COHN: May I have this marked for identifi-  
6 cation .

7 (Defendants' Exhibit K was marked for identifi-  
8 cation.)

9 Q Mr. Goberman, I am going to show you Defendants'  
10 K for identification, ask you to read it, sir, to yourself,  
11 and then tell us whether it refreshes your recollection that  
12 the turn-key agreement dated March 30, 1968 was in fact  
13 executed by Mr. Wix as managing director and then sent to  
14 you up in Pennsylvania.

15 MR. MC GUIRE: I object to that question, your  
16 Honor.

17 THE COURT: It is a long question. Let him look  
18 at the document. It is two questions in one.

19 MR. MC GUIRE: The difficulty that I find with  
20 it, your Honor, is that there appear to be two agreements  
21 of the same date, one that has Mr. Wix's signature on it  
22 and one that doesn't.

23 THE COURT: That's right.

24 MR. MC GUIRE: Mr. Cohn has asked whether  
25 this document, whatever it is, refreshes Mr. Goberman's

xx

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2 recollection about the agreement.

3 THE COURT: I know. Look at the document, Mr.  
4 Goberman.

5 THE WITNESS: This is a letter.

6 THE COURT: That is a letter. Does it refresh  
7 your recollection?

8 THE WITNESS: Yes, it does.

9 THE COURT: To what extent does it refresh your  
10 recollection?11 THE WITNESS: This letter acknowledges that I  
12 received an executed contract between the hotel and  
13 Goberman Construction and mentions the fact that there  
14 was a contract at one time between the hotel and Susquehanna  
15 Builders and that has been cancelled by mutual agreement.16 THE COURT: So that that contract referred to  
17 in that letter was to take the place of the Susquehanna  
18 contract?19 THE WITNESS: A contract referred to, not  
20 necessarily the one that he has.

21 THE COURT: I understand.

22 Q By the way, this is a copy of a letter from you  
23 to Mr. Wix, is it not?

24 A Yes, on July 12, 1968.

25 MR. COHN: May I show that to Mr. Mc Guire and

1 jhbr

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2 offer it.

3 MR. MC GUIRE: One question, if I may, your Honor.

4 VOIR DIRE EXAMINATION

5 BY MR. MC GUIRE:

6 Q Mr. Goberman, did you write the original of this  
7 letter?

8 A No, sir.

9 Q This purports to be a copy of a letter.  
10 Do you know where it comes from?

11 A It is on the letterhead of the hotel. It doesn't  
12 have my signature.

13 Q Did you write or sign the original of which this is  
14 a copy?

15 A I don't know. I don't remember.

16 Q Do you know where this copy comes from, do you  
17 recognize it

18 A I haven't the slightest idea where he gets his copies  
19 from.

20 Q Do you recognize the copy stamp that appears --  
21 THE COURT: I don't know what we are doing  
22 here. The letter isn't being offered. As I understand  
23 it, it refreshes the witness' recollection that there was  
24 a contract that replaced the old Susquehanna contract.

25 MR. COHN: And that the agreement dated March 30,

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1968 --

THE COURT: He has already told us he can't say that. But this does refresh his recollection, and I think that is the sole purpose of presenting this piece of paper to him, that there was a contract to replace the Susquehanna contract, and he can't say whether that thing of March 3-th was a replacement or not.

Is that correct, sir?

THE WITNESS: That is correct.

MR. MC GUIRE: If that is the only purpose, then I have no objection to this.

THE COURT: I don't think he is offering it.

MR. COHN: I did offer it.

THE COURT: If you have no objection, it will be received.

MR. MC GUIRE: For that pupose.

THE COURT: Just to refresh the witness' recollection.

(Defendants' Exhibit K was received in evidence.)



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jh:mg

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2 BY MR. COHN:

3 Q Mr. Goberman, is Exhibit J for identification,  
4 which is the second contract, the one with the Wix signa-  
5 ture, not in evidence, but marked for identification; is  
6 that the contract referred to in your letter to Mr. Eix?

7 A No, sir.

8 If you are referring to the one that is for three  
9 and a half or four million dollars --

10 THE COURT: Could you show him the one you are  
11 referring to and let him answer the question?

12 MR. COHN: Surely.

13 A No, it wasn't referring to this one. There was  
14 another one in between.

15 Q There was another one in between--

16 A Yes, there was another contract in between my  
17 five million, nine hundred thousand dollar one and the  
18 one originally with Susquehanna Builders.

19 Q There was one in between Susquehanna Builders and  
20 J for identification?

21 A Is this J, sir?

22 Q Yes, sir.

23 A Yes, sir. I don't recall this one at all. I know  
24 there was another one for the purpose of eliminating the  
25 contract with Susquehanna Builders at the government's

1       jh:mg       2

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2       request.

3               Q       Exhibit K in evidence begins with your addressing  
4       Mr. Wix: "Dear Juan,

5               "I have today received from you an executed  
6       contract between St. Maarten Isle Hotel Corp., N.V. and  
7       Goberman Construction Co. N.V., dated March 30, 1968."

8               My question, is Exhibit J for identification the  
9       executed letter dated March 30, 1968?

10              THE COURT: I don't know how many times you have  
11       to do that.

12              THE WITNESS: I said no.

13              THE COURT: He said no.

14              Q       What contract was --

15              A       There is a contract that belongs to this and  
16       this is not the information.

17              Q       What --

18              A       And it is for five million, nine hundred thousand  
19       dollars.

20              Q       The contract for five million, 950 thousand  
21       dollars is not executed by Mr. Wix, is it, sir?

22              A       That one is not, but there was one that he exe-  
23       cuted.

24              THE COURT: I think we have gone over this,  
25       Mr. Cohn.

1 jh:mg 3

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2 THE WITNESS: You have my answer, your Honor.  
3 I answered that before. He knows what I am referring to.

4 Q After whatever contract was executed as of March  
5 30, 1968, I believe you told us there was a note issued  
6 to you for three and a half million dollars dated July  
7 15, 1968?

8 A Yes, sir.

9 Q Where is the original of that note?

10 A I wouldn't know who has it now. Mr. Wix had it  
11 in his office and Mr. Wix also--

12 Q I think you have answered me, sir.

13 A I am trying to identify where it could be, one  
14 of two places. Either in his office in Aruba or in my  
15 office in St. Maarten, where he asked for a file that I  
16 gave him that had his name on there.

17 He had the key to it, the only key, where he  
18 placed some of his papers.

19 Now, it could be in either one of those two  
20 places.

21 Q Is this three and a half million dollar note  
22 in your favor dated July 15, 1968, something you considered  
23 to be an important piece of paper?

24 A I would say so, yes, sir.

25 Q It represented a debt to you of three and a half

1 jh:mg 4

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2 million dollars, did it not?

3 A Yes, sir.

4 Q Did you consider retaining that original note your-  
5 self in some place where it would be available?

6 A Yes, sir, I most certainly did.

7 Q And your testimony now is that you donot have it,  
8 that it would be either in Mr. Wix' file, Mr. Wix' office,  
9 or in a file Mr. Wix had kept for corporate papers at  
10 the hotel?11 A I kept it in my safe in Lancaster and then Mr.  
12 Wix wanted it back. He was discussing mortgage arrange-  
13 ments with the government of the Antilles and he wanted  
14 to show every document that the corporation has and I  
15 returned it to Mr. Wix, at which time I made a number of  
16 copies.17 Q After the signing of this note, at which time  
18 I believe you said you had put around two million dollars  
19 into the project, thereafter is it a fact that there were  
20 obtained for the St. Maarten Isle Hotel Corporation two  
21 mortgages in the approximate amounts of one and a half  
22 million dollars each?23 A Quite some time after that. I think one of the  
24 things we both have overlooked --

25 MR. COHN: Your Honor--

jh:mg 5

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1 THE COURT: Just answer the question.

2 You say some time after that there were two  
3 mortgages?

4 THE WITNESS: Yes, sir. although I think there is  
5 something more pertinent that should be brought forth here.

6 THE COURT: All right.

7 Q Was one of those mortgages from the Netherlands  
8 Antillean Government?

9 A Yes, sir.

10 Q In the amount of--

11 A In the amount of two million, six hundred thousand  
12 guilders.

13 Q Is that about 1.5 million dollars?

14 A Approximately, depending on the American dollar  
15 exchange at that time.

16 Q Was another mortgage from the Bank of Nova Scotia --

17 A Was there another mortgage from the Bank of Nova  
18 Scotia what? Was there another mortgage?

19 THE COURT: That's right.

20 A Yes, sir.

21 Q In what amount?

22 A It was written for a million and a half, but I  
23 only received \$750,000.

24 Q You took down \$750,000 out of the million and a  
25

1       jh:mg 6

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2       half?

3           A     yes, sir.

4           Q     Were any other funds obtained by St. Maarten Isle  
5 Hotel Corporation toward completion of the project in ad-  
6 dition to these two mortgages?

7           A     I believe there was. However--

8           Q     About how much?

9           A     No, I am not sure. I think the other funds were  
10 after the hotel was completed.

11          Q     Was there an overdraft of approximately \$200,000?

12          A     Yes, sir.

13          Q     How was that treated?

14          A     That was an overdraft in the Windward Island Bank  
15 that I didn't even know about because I was not signing  
16 the payroll checks, I was not on the Island, and I gave a  
17 power of attorney to my superintendent, and --

18               THE COURT: Who was that?

19               THE WITNESS: Mr. Menzer, Richard Menzer, who was  
20 responsible for the job.

21          A     -- and without my knowing it, he had overdrawn  
22 his account, and when I come back to the Island one day I  
23 was called into the bank and told there was an overdraft.

24

25

2a pm 1

eb:mg 1

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2 Q Did that result in a debit to the Windward Island  
3 Bank of approximately \$300,000?

4 A No, sir.

5 Q How much?

6 A I think it was a little over \$200,000.

7 Q All right.

8 After the two mortgages you have described to  
9 us, and this overdraft of approximately \$200,000, did you  
10 take any steps to return the three and a half million  
11 dollar note or have its face value modified to reflect  
12 the mortgage financing?

13 MR. MCGUIRE: I object.

14 THE COURT: Sustained the objection to that ques-  
15 tion.

16 MR. COHN: Should I try to break it down, your  
17 Honor?

18 THE COURT: Yes.

19 Did you do anything about this note, after these  
20 two mortgages were placed and the overdraft?

21 THE WITNESS: I don't think you will reprimand  
22 me for saying this.

23 THE COURT: Did you do anything with the note?

24 THE WITNESS: No.

25 THE COURT: Okay. Your answer is no.

1 eb:mg 2

Goberman-cross

2 THE WITNESS: But ~~there~~ is an inference here  
3 that I drew those two mortgages.

4 THE COURT: Forget the inferences.

5 THE WITNESS: That is what Mr. Cohn said which is  
6 not true.

7 THE COURT: Please answer the question.

8 You say you did nothing with this note after the  
9 mortgages were placed?

10 THE WITNESS: Well, I didn't try to collect it.

11 THE COURT: All right.

12 You didn't do anything then?

13 Q You didn't try to collect the note?

14 A No, sir.

15 Q Was that because of the fact that after the note  
16 was given to you, mortgage money and other funds were  
17 obtained?

18 A No. May I answer that?

19 Q I said was that because of the fact that --

20 A No, sir.

21 Q The answer is no?

22 A No.

23 Q As of the mortgages in the Windward Island loan  
24 of \$200,000, if I might call it that, adding those and the  
25 three and a half million dollar obligation to you made a



1 eb:mg 3

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2 total of how much that the hotel corporation held on this  
3 project?

4 MR. McGUIRE: I don't know what Mr. Cohn is trying  
5 to argue here but --

6 THE COURT: I wish you wouldn't do that, Mr. Cohn.

7 MR. COHN: May we have a side bar, please, your  
8 Honor?

9 THE COURT: Yes.

10 (At the side bar.)

11 THE COURT: He is just testifying.

12 MR. COHN: With the deepest respect for you  
13 but this constant telling the jury that I am doing some-  
14 thing wrong or asking improper questions -- this man is  
15 a total rip-off. If you add these figures --

16 THE COURT: The trouble is, I am not worrying  
17 about him, I am worrying about your questions.

18 If you ask him what the indebtedness was at the  
19 time, or something like that, instead of repeating what you  
20 think it was, that is the point.

21 MR. COHN: Okay.

22 (In open court.)

23 BY MR. COHN:

24 Q At the point of time that the mortgages had been  
25 obtained and two hundred thousand dollars was owed to

1 eb:mg 4

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2 the Windward Island Bank, what was the indebtedness of  
3 Goberman Construction Company?

4 A I don't understand your question.

5 Q Let me try it again.

6 MR. McGUIRE: I will object to it on the ground  
7 of relevance anyway.

8 THE COURT: All right.

9 Is the purpose of the question the indebtedness  
10 of Goberman or is the indebtedness of the hotel?

11 MR. COHN: I think, your Honor, it should first  
12 be the indebtedness of the hotel.

13 THE COURT: I thought that is what you wanted to  
14 ask him.

15 Q Mr. Goberman, after the two mortgages were ob-  
16 tained, and after the loan from Windward Island Bank of  
17 approximately \$200,000, what was the indebtedness of St.  
18 Maarten Isle Hotel Corporation for this project?

19 MR. McGUIRE: Now, your Honor, I think maybe Mr.  
20 Cohn is asking for a legal conclusion here.

21 THE COURT: He is not asking for a legal conclusion.

22 A I don't know.

23 THE COURT: Give the witness a pad and a pencil.

24 THE WITNESS: I will try to add it up.

25 THE COURT: That is what he wants you to do.

1 eb:mg 5

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2 MR. McGUIRE: Is there a problem here with in-  
3 debtednesses that are in dispute?

4 THE COURT: No. I think what Mr. Cohn wants to  
5 know is at the time they placed the two mortgages and  
6 they had the overdraft from the bank, what did the hotel  
7 company owe in all at that point.

8 That's all he is asking and the witness is going  
9 to figure that out.

10 (Pause.)

11 Q Do you get a figure of about \$6,000,000?

12 A I have about \$5,750,000.

13 Q All right.

14 Very briefly, you got three and a half million  
15 for you, a million and a half for the Netherlands Antilles  
16 Government, \$750,000 taken down from the Bank of Nova  
17 Scotia, \$210,000 from Windward Island--

18 A That doesn't include that because that was a  
19 Goberman Construction overdraft.

20 Q Didn't that become a debt of St. Maarten Isle?

21 A That was at the request of the Senator of the Island  
22 whose family owned a 49 per cent stock interest in the  
23 Windward Island Bank and whose brother-in-law was the manager  
24 of the bank.

25 He came to me and said, "Goberman Construction

1 eb:mg 6

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2 Company owes us \$220,000. Now we want our money and we  
3 are not going to get it out of Goberman Construction Com-  
4 pany. I want you to give the Windward Island Bank a note  
5 on St. Maarten Isle Hotel for \$220,000 to replace the note  
6 of the overdraft of Goberman Construction Company, N.V. be-  
7 cause we feel that the money was spent for their benefit"--

8 THE COURT: Never mind that.

9 Did you do it?

10 THE WITNESS: Well, you do it because the Senator  
11 tells you.

12 THE COURT: So that would be added then to the  
13 indebtedness of the hotel?

14 THE WITNESS: Yes.

15 Q That brings it to a little under \$6,000,000?

16 A \$5,590,000, something like that.

17 Q You testified a little earlier today, I believe,  
18 that the construction cost of the hotel was \$5 million?

19 A That's right, sir.

20 Q Did you take any steps to modify the amount of  
21 the three and a half million dollars due to you to reflect  
22 this additional financing? Yes or no?

23 A No, because while the cost of the hotel was  
24 \$5,000,000, we are forgetting a very important item, and  
25 that was interest that had to be added to this on all

1 eb:mg 7

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2 these funds. We can't overlook interest and finance  
3 charges, and the government charged-- there was over  
4 \$100,000 in charges for the government of the Antilles for  
5 inspections, and so forth.

6 Q Those were obligations of St. Maarten Isle Hotel  
7 corporation, were they not?

8 A Yes.

9 Q Now, when did the hotel open its doors?

10 A I beg your pardon?

11 Q When did the hotel open its doors?

12 A January 10, 1971, or 1970. I'm sorry.

13 Q At the time when it opened its doors, were there  
14 various bills of contractors that were unpaid?

15 A I don't know what you mean by contractors. You  
16 mean normal suppliers? Normal suppliers, naturally there  
17 were current bills.

18 Q At the time the hotel opened its doors, there  
19 were debts, there were bills outstanding of suppliers in  
20 connection with goods furnished for the hotel?

21 A There were some; yes, sir.

22 Q And did some of those debts remain outstanding  
23 during the year 1970?

24 A I don't understand.

25 THE COURT: What he wants to know is --

1 eb:mg 8

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2 THE WITNESS: Were the bills paid or not?

3 THE COURT: Yes.

4 THE WITNESS: I imagine the bills were paid. Old  
5 bills were paid and new bills were incurred.

6 THE COURT: I think the question really is, were  
7 the bills owing at the time the hotel was opened paid?

8 THE WITNESS: When?

9 THE COURT: Well, at any time.

10 THE WITNESS: I don't know which were paid and  
11 which were not paid, your Honor.

12 THE COURT: Well, he is asking about the bills that  
13 were outstanding when the hotel opened.

14 Do you remember whether those bills were paid?

15 THE WITNESS: There were bills outstanding against  
16 the construction company. I don't remember the bills  
17 outstanding against the hotel.

18 THE COURT: You don't know?

19 THE WITNESS: No.

20 Q Mr. Goberman, were you being pressed throughout  
21 1970 for payment of bills by supplies to the hotel?

22 A A businessman is always being pressed.

23 THE COURT: Try to answer the question.

24 THE WITNESS: I don't know what he means by  
25 pressed. There's nothing abnormal in my opinion --

1 ebmg 9

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2 THE COURT: All right. All right.

3 Q How much money, approximately, did you owe sup-  
4 pliers in the fall of 1970?

5 A I can't tell you that.

6 Q Did there come a time when certain suppliers  
7 threatened to close down the hotel?

8 A Yes, sir.

9 Q Unless they were paid?

10 A Yes, sir.

11 Q Was one of those Quality Sales Corporation?

12 A Yes, sir.

13 Q Is that a grocery chain?

14 A That is not a grocery chain. I would say they  
15 are food purveyors from the Virgin Islands.16 Q And when did they threaten to close down the  
17 hotel?

18 A I don't remember the exact date.

19 Q Could you approximate it for us?

20 A No, I can't. I think it was the time that Mr.  
21 Parness was affiliated with the Casino. I remember that  
22 very distinctly.23 Q How far back were the Quality bills gone, if  
24 you recall?

25 A The Quality bills went back-- they were rather

1 eb:mg 10

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2 old because there was a dispute in the amount that we  
3 were being overcharged and that is the reason why the bills  
4 were not paid as promptly as they might have been.

5 Q Would it be fair to say, Mr. Goberman, that  
6 throughout 1970 you were being asked constantly by con-  
7 tractors to pay unpaid bills?

8 THE COURT: Let's not use that word. Suppliers.

9 A It wouldn't be fair to say because I wasn't there  
10 all the time and I had managers handling all that and I  
11 assumed it was being taken care of.

12 Q Who was the manager at that time?

13 A Mr. George Kenn.

14 Q Anybody else?

15 A And Mr. Blandino was assistant manager.

16 Q Did either Mr. Kenn or Mr. Blandino on occasions  
17 when you had not been present, tell you that they were  
18 being plagued by bill collectors?

19 A No, sir. Mr. Kenn had the authority-- there was  
20 a general account and he had the authority to sign checks  
21 to pay bills.

22 Q As of the fall of 1970 was there enough money  
23 in the general account to pay current bills?

24 A I believe so.

25 Q By the fall I mean the end of September, October,



1 eb:mg 11

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2 November, is that right?

3 A By that time the money was controlled by Mr.  
4 Parness. This is when we started running into difficulties  
5 in paying bills.

6 Q I believe your testimony was that Mr. Parness took  
7 over the casino operation in November 1970, is that right?

8 A I think he was running junkets before that, and he  
9 was responsible for collections before that also.

10 Q Well, now, when, as of when? I believe you tes-  
11 tified previously -- wasn't your testimony that Mr. Parness  
12 took over collections the end of October and the beginning  
13 of November?

14 A Well, then, if he did, there is no objection  
15 to that.

16 Q All right.

17 I am now referring -- my last question on this--  
18 to the period before Mr. Parness took over this responsi-  
19 bility, and my question to you is was there enough money  
20 in your general account to pay your current bills?

21 A There should have been enough money. I put enough  
22 money in it.

23 Q Now, after Mr. Parness took over collections, did  
24 he send various amounts of money down to the casino?

25 A He most certainly did.

1 eb: mg 12

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2 Q He did?

3 A He did, yes, sir.

4 Q Can you approximate for us how much money he sent  
5 down, say, in December of 1970 and January of 1971?

6 A No, I cannot do that.

7 Q Was it in the hundreds of thousands of dollars?

8 A He sent down-- the sums that he sent down were  
9 the sums that he decided--

10 THE COURT: No, that doesn't answer the question.

11 THE WITNESS: I can't answer the question.

12 THE COURT: He is asking about the amount.

13 THE WITNESS: I don't remember the amounts.

14 Q You have no idea what they were?

15 A No. We are getting into a state of confusion  
16 at that time and I don't remember the amounts.

17 Q Can you remember that the amounts were in the  
18 six figures in each of the months --

19 A I just don't remember the amounts, Mr. Cohn.

20 Q In December of 1970, did you have access to the  
21 books and records of St. Maarten Isle Hotel down there?

22 A I looked into some of them, yes.

23 Q You were the managing director, weren't you?

24 A Yes, sir.

25 Q And the books were available to you?

26 A Yes, sir. But I wasn't concerned about those books.  
I was just concerned about collections.

1 ebb 1 Goberman-cross 398

2 Q And did you ask anybody about collections?

3 A Did I ask anybody about collections?

4 Q Yes, sir.

5 A I most certainly did. That was my prime interest.

6 Q Did you ask Mr. Blandino about them or Mr. Kenn?

7 A Mr. Kenn?

8 Q Yes.

9 A Mr. Kenn wouldn't answer my questions.

10 Q How about Mr. Blandino?

11 A Mr. Blandino would answer questions when he wanted  
12 to answer questions.

13 Q Well, on some of those occasions when he wanted to  
14 answer questions did he tell you anything about moneys  
15 Mr. Parness had been sending down to the St. Maarten Isle  
16 Hotel Corporation?

17 A Yes, indeed.

18 Q And did he tell you the amounts of money were  
19 very substantial?

20 A That depends on what you call substantial.

21 THE COURT: Tell us what he said.

22 THE WITNESS: I don't remember.

23 THE COURT: You don't remember. Okay.

24 THE WITNESS: I don't remember.

25 Q Now, as of October, 1970, before Mr. Parness took

ebbr

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1 over collections, at a time which I believe you just told  
2 us that there funds available to pay current bills, in that  
3 month did you not find it necessary to borrow \$150,000 from  
4 a Mr. Leonard Holzer?  
5

6 A I borrowed \$150,000 from him; yes.

7 Q Was that in October of 1970?

8 A I believe it was.

9 Q And was the purpose of that loan the fact that the  
10 hotel needed the money?

11 A No, sir. The purpose of that loan was to bind  
12 Mr. Holzer as a matter of good faith to produce a second  
13 mortgage of \$3,800,000, and I refused to negotiate with him  
14 any further unless he showed some substance of good faith,  
15 that he wanted to do business.

16 Q So your testimony is that it was a good faith pay-  
17 ment on account of the mortgage rather than a loan based  
18 upon current --

19 MR. MC GUIRE: I object.

20 THE COURT: I sustain the objection.

21 THE WITNESS: I could answer the question but --

22 THE COURT: Well, you understood that he made this  
23 loan to you and you took that as his good faith that he would  
24 produce the second mortgage.

25 THE WITNESS: That's why I asked him for the money.

1 ebbr

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2 Yes.

3 Q The fact of the matter is that rather than a down  
4 payment on a mortgage --

5 A I didn't say was a down payment on the mortgage.  
6 You are putting words in my mouth.

7 Q Rather than a good faith payment with respect to  
8 a prospective mortgage, this was an -- will withdraw that  
9 and let me start it this way.

10 Isn't it a fact that you went to Mr. Holzer and said  
11 that the \$150,000 was needed for the hotel?

12 A No.

13 THE COURT: No?

14 THE WITNESS: No. Those aren't the facts at  
15 all.

16 Q Before Mr. Holzer loaned you the \$150,000 did he  
17 require you to secure its return to him?

18 THE COURT: I don't know what that question  
19 means.

20 Q Did he tell you you had to put up collateral  
21 with him before you would see the \$150,000?

22 Do you understand that, Mr. Goberman?

23 A Yes, I understand that.

24 THE COURT: You could answer that question did he  
25 ask for collateral.

1 ebbr

Goberman-cross

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2 A That was later and he is skipping over --

3 THE COURT: Well, you answer it your way. At the  
4 time he loaned you the \$150,000 --5 A At the time he loaned me the \$150,000 -- first  
6 of all it wasn't supposed to be a loan; it was supposed  
7 to be a good faith deposit and he was in London and I called  
8 him on the phone and I said "I am tired of playing games  
9 with you. Are you going to give me this mortgage or not?"

10 He said, "I will take care of it when I return."

11 I said, "When you return I want some evidence  
12 of good faith on your part or I will look elsewhere.:13 And when he came back he said "All right, we can  
14 arrange for the \$150,000 but I want to give it to you in the  
15 form of a loan. That's the only way I will do it."16 Q My question was, before he made the loan, did he  
17 make you put up collateral?18 A Nobody made me do anything. He asked me if I would  
19 put up my stock in the hotel as collateral security and I said  
20 I would.21 Q Did you then put up 100 per cent of your stock  
22 in the St. Maarten Isle Hotel Corporation as collateral  
23 for guaranteeing the repayment of \$150,000 to Mr. Holzer?

24 A Yes, sir.

25 Q And was not this money to go directly into the

1 ebbr

Goberman-cross

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2 hotel?

3 A I beg your pardon?

4 THE COURT: Well --

5 A He He knows we put it in the hotel. He got  
6 that the other day.

7 THE COURT: When you got the \$150,000 from Mr  
8 Holzer, what did you do with it?

9 THE WITNESS: Put it in my personal account and  
10 then drew checks in the amount of \$135,000 plus some others  
11 later.

12 Q And those moneys were used to keep the hotel oper-  
13 ating?

14 A Not necessarily. All money that's put in is put  
15 in to keep any business operating, to keep it operating.

16 Q Mr. Goberman, were you asked this question and  
17 did you give this answer in your Philadelphia deposition  
18 referring to the \$150,000:

19 "Q What was done with it ultimately? Was it used to  
20 meet the payroll?

21 "A Spent to keep the hotel operating, payroll and other  
22 expenses."

23 Is that accurate?

24 A That's fairly accurate.

25 Q Now, was there a thirty-day clause in the note?

1 ebbr

Goberman-cross

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2 By that I mean, did Mr. Holzer have the right to call that  
3 note on 30 days notice to you?

4 A I believe he did, yes, sir.

5 MR. MC GUIRE: If it will help, the document is in  
6 evidence.

7 THE COURT: All right.

8 Q And did there come a time when the idea of Mr.  
9 Holzer furnishing a mortgage no longer existed?

10 THE COURT: I don't know. That question doesn't  
11 mean anything to me.

12 Q Did there come a time when you found out that  
13 Mr. Holzer was not going to give St. Maarten Isle Hotel  
14 Corporation the mortgage you had hoped for?

15 A When he asked for his money back, yes, sir.

16 Q And he gave you thirty-day notice, is that cor-  
17 rect?

18 A Yes, sir.

19 Q And that thirty-day notice required repayment on  
20 what date?

21 A I believe January the 3rd or 4th or 5th of 1972.

22 Q That's the time he was going to sell the stock,  
23 I believe.

24 Q Before the time Mr. Holzer was going to sell your  
25 stock and after he had originally called the note, didn't



1 ebbr Goberman-cross

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2 you request an extension from him? Didn't he give you  
3 an extension?

4 A Well, now, by that time the whole situation was getting  
5 out of my control.

6 THE COURT: That doesn't answer the question.

7 A Mr. Parness asked for an extension in my name.

8 MR. COHN: I asked him did there come a time --

9 THE COURT: Did you request an extension?

10 THE WITNESS: I don't remember.

11 THE COURT: You don't remember?

12 THE WITNESS: No, sir.

13 MR. COHN: May I have this marked for identifi-  
14 cation.

15 (Defendants' Exhibit L was marked for identifi-  
16 cation.)

17 Q Would you please examine --

18 MR. MC GUIRE: Yes, that is in evidence.

19 MR. COHN: Could I have a copy of that, please.  
20 Maybe I can save time this way.

21 Q Would you read this piece of paper I am showing  
22 you and tell the jury whether it refreshes your recollection  
23 that you asked Mr. Holzer for an extension?

24 MR. MC GUIRE: It is Government's Exhibit 25 in  
25 evidence.

1 ebbr

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2 A Yes.

3 MR. MC GUIRE: A copy of Government's Exhibit 25.

4 Q Does that refresh your recollection that you did in  
5 fact ask Mr. Holzwer for an extension?6 A Yes. I believe it was the holiday season and I  
7 asked him to extend it; yes, sir.

8 Q And did Mr. Holzer give you that extension?

9 A He must have.

10 THE COURT: Do you remember?

11 THE WITNESS: No.

12 Q You don't remember whether Mr. Holzer gave you the  
13 extension?

14 A Right now I don't remember.

15 Q Well, this says "I have your letter of November 20,  
16 1970 wherein you request payment on December 29, 1970 of the  
17 \$150,000 note held by you."18 You do know that on or about December 20, 1970  
19 Mr. Holzer didn't take any proceedings against you with  
20 reference to the collection of the note, don't you?21 A I don't know whether he took any proceedings or  
22 not. I can't answer that.23 Q Well, did there come a time when you found out  
24 that Mr. Holzer was taking proceedings against you to collect  
25 this note?

1 ebbr

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2 A Yes, sir.

3 Q When?

4 A That was some time later, before January 3rd.

5 Or February 3rd. I'm sorry.

6 Q February 3rd, 1971?

7 A Yes, sir.

8 Q And in what form did you learn about this?

9 A I learned about it verbally and I think that he  
10 sent a letter to my home that was received by a member of my  
11 family while I was in St. Maarten.

12 Q Did it come to your attention that Mr. Holzer  
13 had advertised your stock in the hotel I believe in the  
14 New York Times and other places for public sale?

15 A Yes, sir.

16 Q And did you come to New York at or about this  
17 time?

18 A Yes, sir.

19 Q Were you aware of the fact that Mr. Holzer had  
20 instituted foreclosure litigation against you in the Supreme  
21 Court of the State of New York?

22 A I believe I was aware of that. I did know that he  
23 did something.

24 Q You knew he had brought a court action in New York,  
25 didn't you?

A So I was told later. I didn't know at the time he

1 ebbr

Goberman-cross

2 did it.

3 Q Mr. Goberman, didn't you put in an affidavit in  
4 connection with that court action right at this time?

5 A I don't remember.

6 MR. COHN: May I have this marked for identifi-  
7 cation.

8 (Defendants' Exhibit M was marked for identifi-  
9 cation.)

10 Q I would like to show you, from our Exhibit M for  
11 identification, two pieces of paper beginning with the  
12 words Allan M. Goberman being duly sworn --

13 THE COURT: Read it to yourself.

14 Q Read it to yourself and tell us whether it  
15 refreshes your recollection that you submitted an affidavit  
16 on or about February 2, 1971 in a court case brought by Mr.  
17 Holzer against you for this stock.

18 (Pause.)

19 A Do you know who drew this up?

20 THE COURT: Does that refresh your recollection?

21 THE WITNESS: No, I signed it. It doesn't refresh  
22 my recollection. Some of the papers were signed, that Mr.  
23 Hamilton, who was Mr. Parness' attorney, made up.

24 Q Did you sign this affidavit?

25 A I can honestly say I signed it and I didn't even

xx

1 ebbr

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2 read it.

3 Q You didn't read it?

4 A No, sir.

5 Q Did you know it was being submitted in connection  
6 with a court action?

7 A I would say my mind at that time was pretty well  
8 filled up with the fact that there was a possibility that  
9 I was going to lose my hotel.

10 Q This was a court action?

11 A I don't care what it was; Mr. Hamilton, his attorney,  
12 gave it to me to sign.

13 Q Excuse me, sir. This was a court action to stop  
14 Mr. Holzer from taking the stock in the hotel from you, was  
15 it not?

16 A Mr. Holzer was going to take the stock anyway  
17 if I didn't have the \$150,000.

18 THE COURT: I think we are all getting off the  
19 beam here. All you say about that document is that you  
20 recognize your signature but you don't recall reading it  
21 and Mr. Hamilton asked you to sign it.

22 THE WITNESS: Yes, sir.

23 Q Mr. Hamilton was a lawyer representing you in  
24 fighting Mr. Holzer's attempt to get the stock, was he not?

25 A He was not.

1 ebbr

Goberman-cross

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2 Q He wasn't?

3 A No.

4 Q Would you please look?

5 A Mr. Hamilton was working for Mr. Parness. He  
6 still owes me \$1500 that he cheated me out of.

7 Q Mr. Hamilton cheated you?

8 A Yes.

9 Q Who introduced you to Mr. Hamilton?

10 A Mr. Ferrara.

11 Q It was not Mr. Parness who introduced you to him?

12 A No. Parness was there.

13 Q Who introduced you to Mr. Hamilton?

14 A We had a meeting at which time Mr. Parness entered  
15 into it.

16 Q My question simply was, was it Ferrara who  
17 introduced you to him?

18 THE COURT: He said.

19 A With the backing of Mr. Parness.

20 Q Pardon me?

21 A With the backing of Mr. Parness.

22 Q Wiht the backing?

23 A That is correct.

24

25

1 jhbr

Goberman-cross

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A pm

2 Q Now, did Mr. Hamilton file papers in your behalf  
3 to try to block Holzer from foreclosing on your collateral?

4 MR. MC GUIRE: I object to the form of that  
5 question.

6 THE COURT: I sustain the objection to the form of  
7 that.

8 MR. COHN: Your Honor, is there a way I can ask it?

9 THE COURT: No, I don't think so. I think it is  
10 quite clear that Mr. Goberman recalls Mr. Hamilton and he  
11 signed some papers for Mr. Hamilton.

12 THE WITNESS: Yes, sir.

13 THE COURT: You say you don't recall there was a  
14 lawsuit pending against you by Mr. Holzer to collect on  
15 the security, that you do not recall?

16 THE WITNESS: That's right. I knew that he was  
17 going to sell my securities.

18 THE COURT: That is all you knew?

19 THE WITNESS: That is all I knew, and that  
20 was enough to worry about.

21 THE COURT: And you signed these papers?

22 THE WITNESS: Yes, sir.

23 MR. COHN: May I ask him to look at the front of these  
24 papers and ask whether it refreshes his recollection?

25 THE COURT: You can do that.

1 jhbr

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2 Q Would you please look at these papers and  
3 see whether they refresh your recollection. Look at your  
4 affidavit, look at the affirmation at the beginning, look  
5 at the court order, and then tell us whether it refreshes  
6 your recollection concerning a court action by Mr. Holzer  
7 against you and opposition to that action in your behalf by  
8 your own affidavit.

9 A I don't remember these papers.

10 THE COURT: It doesn't refresh your recollection,  
11 is that right?

12 THE WITNESS: No, no, sir.

13 THE COURT: All right.

14 THE WITNESS: No, it doesn't strike a note.

15 THE COURT: All right.

16 Q It is fair to say that your testimony is what you  
17 knew about the Holzer foreclosure as of February 2, 19 --

18 THE COURT: I am going to sustain the objection.  
19 I don't think we need to rehash that. I think he has  
20 testified.

21 MR. COHN: Could we have a brief side bar?

22 THE COURT: Yes.

23 (At the side bar:)

24 MR. COHN: Judge, you have a very quick mind.  
25 This is all new to the jury. Do I have to let a perjurer



1 jhbr

Goberman-cross

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2 like this sit on the stand --

3 THE COURT: You are starting off with your con-  
4 clusion.

5 MR. COHN: Judge, we are here in a search for  
6 justice. Doesn't it defy credulity that a man signs  
7 affidavits, comes up here, appears in a court case, has  
8 30 pages worth of papers --

9 THE COURT: You brought it out. You brought it out.  
10 It doesn't do any good to keep repeating it.

11 MR. COHN: Can't I try to refresh his recollection?

12 THE COURT: No, I don't think so. His  
13 recollection isn't going to be refreshed. That is quite  
14 clear to me.

15 MR. COHN: Do you think the jury really can follow  
16 this?

17 THE COURT: I think so, and I think probably  
18 on summation they will follow it better. There is no  
19 use going over the same thing.

20 MR. COHN: All right.

21 (In open court:)

22 BY MR. COHN:

23 Q Did Mr. Holzer in fact foreclose against your stock?

24 MR. MC GUIRE: Objection to that because of  
25 the legal conclusion.

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Goberman-cross

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1 THE COURT: I know, but I think that question  
2 is all right.

3 You said that Mr. Holzer had your stock as security  
4 for the debt?

5 THE WITNESS: Yes, sir.

6 THE COURT: Did he take over the stock as security  
7 for the debt, if you recall?

8 THE WITNESS: No, sir.

9 THE COURT: He did not?

10 THE WITNESS: He was repaid.

11 THE COURT: All right.

12 Q Who repaid him?

13 A I am still trying to find out who repaid him, Mr.  
14 Cohn. Who do I think repaid him or who repaid him?  
15 There are two different questions there.

16 Q Mr. Goberman, was Mr. Holzer's note and the at-  
17 tached collateral taken over by Barbara Landew and Stanley  
18 Amsterdam --

19 A I can't answer that.

20 MR. MC GUIRE: Object to that. Again, he is asking  
21 for conclusions.

22 THE COURT: I agree with that. But I think you did  
23 testify on direct examination, Mr. Goberman, so the jury  
24 and I can understand this, in effect there was a new  
25

1 jhbr

Goberman-cross

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2 arrangement made with Barbara Landew and Stanley Amsterdam  
3 for this amount of \$150,000.

4 THE WITNESS: Yes, sir.

5 THE COURT: Am I correct in my recollection?

6 THE WITNESS: Yes, sir.

7 THE COURT: I think that is what the question  
8 is addressed to.

9 Q By the way, you knew that both Barbara Landew and  
10 Stanley Amsterdam were associated with Mr. Parness, did you  
11 not?

12 A No. I knew that Barbara was in business with  
13 Mr. Parness in the Travel Time, but Mr. Amsterdam, I never  
14 thought that he was associated with Mr. Parness. I under-  
15 stand he was related to him through marriage.

16 Q You knew he was related to him?

17 A Related to him, yes.

18 Q As a matter of fact, you knew that Mr. Amsterdam  
19 was married to Barbara Parness' -p

20 A I didn't know it at that time. I knew it later on.

21 Q -- was married to Barbara Parness' partner in  
22 Travel Time?

23 A I didn't know she was her partner.

24 I am sorry. Go ahead. I am ready to blow my top.  
25 Go ahead, Mr. Cohn.

1 jhbr

Goberman-cross

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2 Q Travel Time was the travel agency which arranged  
3 a considerable amount of transportation to St. Maarten Isle  
4 Hotel in coordination with Mr. Parness' company, Olympic  
5 Sports, was it not?

6 A For which they received their commission, yes, sir.

7 Q My question to you was: Was Travel Time --

8 A The answer is yes, sir.

9 Q Did you know that the persons who ran Travel Time  
10 were then Barbara Landew and a girl named Judy Amsterdam?

11 A Yes, sir.

12 Q You say you subsequently found out that Judy  
13 Amsterdam was the wife of Stanley Amsterdam?

14 A Yes, sir.

15 Q And at the time you signed a note to Barbara Landew  
16 and Stanley Amsterdam on or about February 4, 1971 you knew  
17 that they were closely associated with Mr. Parness, did  
18 you not?

19 A Well, I don't know how closely they were associated.

20 THE COURT: Let us leave out the word "closely".

21 THE WITNESS: Yes. They were associated. I also  
22 knew that they certainly didn't have \$150,000, those two  
23 people.

24 THE COURT: All right.

25 THE WITNESS: It certainly wasn't their money.

1 jhbr

Goberman-cross

416

2 I think Mr. Amsterdam was out of a job at that time.

3 Q Mr. Goberman, I think we have your answer.

4 A Sorry, Mr. Cohn.

5 Q When Holzer was paid off -- by the way, what was  
6 the amount of money that was paid to Holzer? Was it  
7 \$150,000 plus some legal fee and some interest?8 A I don't know. I never got the note and I never  
9 really did get the full amount. But I realize that he was  
10 eventually paid off.

11 Q And a legal fee was covered for the Wilkie, Farr firm?

12 A I believe it was, yes.

13 Q After this arrangement was completed on or about  
14 February 4, 1971, how much time did you have to repay the  
15 \$150,000?

16 A I think some time in March.

17 Q Isn't it a fact that originally this note was  
18 extended to you for only a period of a few days, namely,  
19 until February 8, 1971?20 A I don't know whose note you are referring to,  
21 Mr. Cohn.22 THE COURT: I think he is referring to the  
23 note that you made out to Barbara Landew and Stanley  
24 Amsterdam.25 A Oh, yes. That originally was just for a few days  
and then it was extended for about 30 days.

3B pm

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jh:mg 1

Goberman-cross

2

Q I believe you testified you spoke to Mr. Parness

3

about arranging for an extension of that note until March

4

15, is that correct?

5

A That is correct, sir.

6

Q And Mr. Parness readily agreed to give you until

7

March 15?

8

A Very readily agreed, yes, sir.

9

Q Pardon me?

10

A Very readily agreed, yes, sir.

11

Q And then you had until March 15, 1971, to repay

12

this money?

13

A Yes, sir.

14

Q By the time March 15, 1971 came along, you were

15

involved in certain bankruptcy proceedings, were you not?

16

A I don't remember the dates.

17

Q Were you under an order of a Pennsylvania court

18

not to transfer any property belonging to you?

19

A No. I think, if I recall, I think that Mr.

20

Hoffman went to the court in Philadelphia and tried to get

21

an injunction to keep me from transferring my stock to

22

Landew and Amsterdam.

23

Is that what you are referring to, Mr. Cohn?

24

MR. McGUIRE: Your Honor, if we are going to get

25

into the subject of litigation in the courts in

1 jh:mg 2

Goberman-cross

2 Pennsylvania, perhaps we ought to discuss it first.

3 THE COURT: I am a little confused.

4 I don't think we wanted to get into another liti-  
5 gation, Mr. Goberman.

6 I think what Mr. Cohn is trying to develop here  
7 is not so much other than you were involved in a bankruptcy  
8 proceeding somewhere along the line.

9 THE WITNESS: I don't remember if it was at that  
10 time.

11 THE COURT: You don't remember whether it was at  
12 that time or not?

13 THE WITNESS: No, sir. It had nothing to do with  
14 this anyway.

15 Q Was the reason for the short time of the original  
16 note with Barbara Landew and Stanley Amsterdam, from Febru-  
17 ary 4 only until February 8, the fact that --

18 THE COURT: I think I am going to sustain an ob-  
19 jection.

20 Do you know why it was a four-day loan?

21 MR. COHN: Originally.

22 THE WITNESS: I wouldn't have the slightest idea.

23 THE COURT: But you knew it was and you say you  
24 went to Mr. Parness and he readily extended it to 30 days.

25 THE WITNESS: I checked it later, after it was

1 jh:mg 3

Goberman-cross

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2 signed, and I asked for an extension to try to get the  
3 money elsewhere.

4 Q As a matter of fact, you had said to Mr. Parness  
5 that you were arranging to borrow \$150,000 some place  
6 else and would be able to pay this obligation within a few  
7 days, did you not?

8 A I don't remember making a statement like that.

9 Q Is it a fact you had been promised this money by  
10 someone else within a short period of time?

11 A No, sir.

12 Q Do you recall testifying in another one of your  
13 cases on June 9, 1971? This was a mortgage session at  
14 123 South Broad Street.

15 A Do I remember --

16 Q June 9, 1971.

17 THE COURT: Was this a deposition?

18 MR. COHN: Yes, sir.

19 THE COURT: Somebody take your deposition on South  
20 Broad Street? I take it that is Philadelphia.

21 THE WITNESS: Yes. I don't remember that date,  
22 but we have gone over that before.

23 Go ahead, Mr. Cohn.

24 Q Did you say in answer to a question --

25 MR. MCGUIRE: There is a way to do this, your



1 jh:mg 4

Goberman-cross

2 Honor. If there is something that Mr. Cohn thinks--

3 MR. COHN: Thank you very much, Mr. McGuire,

4 Q Were you asked the following questions and did  
5 you give the following answers:

6 "Q Well, I have an agreement marked P-1.

7 "Is that the agreement you made to borrow \$150,000?

8 "A That's right.

9 "Q Is that the agreement?

10 "Mr. Rubin: (Mr. Rubin was your lawyer, Howard  
11 Rubin.)

12 A Unfortunately, yes.

13 Q He did you wrong?

14 A Unfortunately.

15 THE COURT: Never mind that.

16 "Mr. Rubin: That's it." P-1."

17 Q By the way, there was no connection between Mr.  
18 Rubin and Mr. Parness, was there?

19 A Yes, there was.

20 Q There was?

21 A Yes, sir.

22 Q Did he introduce you to Mr. Rubin?

23 A Did he introduce me to Mr. Rubin? No.

24 Q How long before you knew Mr. Parness had you known  
25 Mr. Rubin?

1 jh:mg 5

Goberman-cross

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2 A About a year or so.

3 Q Had Mr. Rubin represented you before you met  
4 Mr. Parness?

5 A The office where he was employed represented me  
6 for a number of years in real estate transactions.

7 Q Continuing:

8 "Mr. Rubin: That's it. P-1.

9 "A I think these people gave me an extra week or  
10 something. I had been promised this money by someone else  
11 and I asked for a week and these people paid Holzer off, I  
12 believe."

13 Q Did you give that answer?

14 A I don't recognize it. I don't remember what  
15 people you are talking about.

16 Q You were doing the talking, Mr. Goberman, not me.

17 A All right.

18 Q Will you please read that? I am going to ask  
19 you, did you give that answer to the question that was  
20 put to you--

21 A I want to read this page and get the whole thing  
22 in my mind.

23 Q Please do.

24 A You mean where I stated, "I then made arrange-  
25 ments to borrow the money"; from there on?

1 lh:mg 6

Goberman-cross

2 THE COURT: Yes, that was the part.

3 THE WITNESS: Well, he is referring to the  
4 money--

5 THE COURT: No, no. Just read it and try and answer  
6 the question.

7 THE WITNESS: Now what is the question?

8 Q Did you give that answer to that question under  
9 oath on June 9, 1971, that you wanted a week's time be-  
10 cause you were arranging to borrow the money from someone  
11 else?

12 A Someone else was the same people. There was  
13 no someone else. I was referring to the same people.

14 Q May I have that a minute, please?

15 THE COURT: Who were the same people?

16 THE WITNESS: Mr. Parness, Landew.

17 A Are you referring to another lender?

18 Q The answer is: "I think these people gave me an  
19 extra week or something."

20 By "these people," you were referring to Barbara  
21 Landew and Stanley Amsterdam?

22 A That's right.

23 Q "I had been promised this money by someone else  
24 and I asked for a week and these people paid Holzer off, I  
25 believe."

1 jh:mg6A7

Goberman-cross

2 Your testimony is that Mr. Parness was the some-  
3 one else?

4 THE COURT: We will take our afternoon recess,  
5 ladies and gentlemen.

6 (Recess.)  
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Goberman-cross

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1  
2 Q By the way, Mr Goberman, before Mr. Holzer was  
3 paid off the unwritten \$150,000 on February 4th or 5th,  
4 1971, didn't Mr. Parness go with you to Mr. Holzer's of-  
5 fice and plead with Mr. Holzer to hold up on the fore-  
6 closure?

7 A Mr. Parness went -- made a meeting with Mr. Holzer  
8 and Mr. Macchia and offered him a proposition.

9 Q And was that proposition --

10 A And that proposition was that if he would hold  
11 up the sale of the stock for, I think, a week, Mr. Parness  
12 would then get for me \$50,000 which I would give to Mr.  
13 Holzer with the understanding that within a certain stipu-  
14 lated time-- I think it was a week after-- the balance of  
15 the money is not forthcoming, that Mr. Holzer at his pre-  
16 rogative could keep the \$50,000 and still, of course,  
17 proceed with the sale of the stock.

18 Q Did you think that that proposition Mr. Parness  
19 made to Holzer to delay the foreclosure for a week on the  
20 payment of \$50,000 which Parness said he would furnish, did  
21 you believe that to be a fair proposition?

22 A I thought that that was a very fair proposition  
23 for Mr. Holzer but he thought otherwise.

24 Q Did Mr. Holzer reject the offer made by Mr. Parness  
25 and yourself?

1 eb:mg 2

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2 A He rejected it based on the fact that he had  
3 already made arrangements with Mr. --

4 Q Mr. Hoffman?

5 A -- Hoffman to be there on the 4th or the 5th, which  
6 was a few days later, and buy the stock from Mr. Holzer,  
7 so he felt he shouldn't wait.

8 Q In other words, Mr. Holzer told you and Mr. Parness  
9 that he had another bidder for the stock, namely, Mr. Hoffman?

10 A That is correct.

11 Q And he was expecting Mr. Hoffman to come in --

12 A On the 5th, on a Friday.

13 Q -- on the 5th, and that therefore he would not  
14 accept the offer --

15 A That was one of his reasons for not accepting it,  
16 yes, sir.

17 Q That Mr. Parness made to him?

18 A Right.

19 Q But as far as you were concerned, you thought Mr.  
20 Parness' offer was fair?

21 A Yes.

22 Q Now, you gave some testimony on direct examination  
23 about the burning of some stock certificates on the beach  
24 at St. Maarten; do you recall that? Do you recall that  
25 area of your testimony?

1 eb:-mg 3

Goberman-cross

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2 A Yes, I do.

3 Q And you fixed the time for that as being around  
4 the end of March or the beginning of April, 1971?5 A I don't remember it now but whatever time you say  
6 I fixed, it must have been around that time.7 Q Was it around the time of these letters, some of  
8 which were signed by you, I think, 77, 78 and 79 --

9 A Well, those numbers don't mean anything to me.

10 Q Well, you remember those letters --

11 THE COURT: This was a group of exhibits. I think  
12 there were three letters signed by you and three letters  
13 to you and I think you told us you didn't recall receiving  
14 the letters bur you recall signing yourname to them.

15 THE WITNESS: Was that in April or March?

16 THE COURT: Well, I think I can tell you that in a  
17 minute. It would be in March, I believe, and April, 1971,  
18 as I recall it.

19 A I would say it was around that time; yes, sir.

20 Q And was that the same time that you say Mr. Parness  
21 burned the stock certifi-ates?

22 A I believe it was at that time; yes, sir.

23 Q Now, the fact of the matter is the stock certifi-  
24 cates had been missing long before Mr. Parness had been  
25 came into the picture, had they not?

1 eb:mg 4

Goberman-cross

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2 A They were misplaced, yes.

3 Q And they were not misplaced by him, were they?

4 A I never said they were.

5 Q They were misplaced by you?

6 A By either me or someone else. They were misplaced.

7 Q As a matter of fact, when you made the original  
8 deal with Mr. Holzer for the \$150,000 and he asked for  
9 stock certificates as collateral, you told Mr. Holzer  
10 you couldn't give him any because they were lost?

11 A I told him I couldn't locate them at that time.

12 Q All right.

13 And is there a procedure under Antillean law  
14 whereby stock ownership is reflected by the entry of items  
15 on something called a stock register?

16 A Yes, I believe--

17 MR. MCGUIRE: I object to the form of that.

18 THE COURT: I think I will sustain the objection  
19 but I think Mr. Goberman can answer for the hotel corpora-  
20 tion whether he had a stock registered.

21 THE WITNESS: Yes.

22 THE COURT: You had a stock registered, and I  
23 think that is all that is important.

24 Q And when you borrowed the \$150,000 from Mr. Holzer,  
25 in October, 1970, not having physical possession of the



1 eb",g 5

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2 stock certificates, did you cause an entry to be made in the  
3 stock register book reflecting the pledge of your shares  
4 to Mr. Holzer?

5 A That registering, that copy would have been put  
6 on the stock registry even if I had the physical stock and  
7 gave it to him. There were two different things that had  
8 to be done.

9 Q But in this case you didn't have the stock and you  
10 didn't give it to him but the entry was made in the reg-  
11 ister?

12 A Yes, and if I had the stock and gave it to him,  
13 the same tntry would still have to be made, Mr. Cohn.

14 Q Now, after this transaction took place, did you  
15 contact Mr. Wix and ask him to have new stock certificates  
16 printed up?

17 A I don't believe so. I don't recall.

18 Q Mr. Goberman, referring to one of your grand  
19 jury appearances, this on on July 27, 1972, the first time  
20 you appeared before a jury about this case in this district  
21 and testified at some length, some 71 pages worth, do you  
22 recall that testimony, the fact that you testified before --

23 A I testified, yes.

24 Q In response to --

25 THE COURT: What page?

1 eb:mg 6

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2 MR. COHN: I'm sorry, your Honor. 59.

3 Q Were you asked the question:

4 "Q What is that exhibit all about?"

5 And you gave an answer:

6 "A As I said at the beginning, there was no stock  
7 certificates issued for the stock in the hotel and some  
8 time after the hotel was opened I asked Mr.-- the attorney,  
9 Mr. Wix, too. I asked him whether it was possible to have  
10 stock issued.

11 "He said yes, so we had the stock printed, the  
12 stock certificates. They were mailed to me and apparently  
13 misplaced. So at the time of all these transactions the  
14 stock certificates were not available, so they used the  
15 stock register in place of it.

16 "Subsequently the certificates were found."

17 Is that correct?

18 A Yes, sir.

19 Q When were the certificates found?

20 A About a week or so before all this took place in  
21 St. Maarten.

22 Q Talking about "all this," you mean the events in  
23 March and April 1971?

24 A Yes.

25 Q So what happened was the stock certificates were

1 eb:mg 7

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2 there after you came down originally, they were lost, you  
3 contacted Mr. Wix --

4 A They were misplaced.

5 Q He had them--

6 A In the office.

7 Q When you came down, some time after you came down  
8 to St. Maarten, you found there were no stock certificates?

9 A No.

10 Q You contacted Mr. Wix --

11 MR. MCGUIRE: The witness has stated no.

12 Q Did you tell the grand jury, "As I said at the  
13 beginning, there was no stock certificates issued for the  
14 stock in the hotel and some time after the hotel was opened  
15 I asked the attorney Mr. Wix whether it was possible to  
16 have stock issued"? Is that correct?

17 A Yes, sir.

18 Q And after the stock certificates were printed,  
19 they were delivered to you?

20 A I was told originally that under the corporate  
21 laws, that stock certificates were not printed. This was  
22 told to me by Mr. -- the attorney in Baltimore. Mr. Hoffman.

23 At the same time he also told me that as an  
24 American citizen I could not be a managing director. I  
25 took him at face value on those two subjects and therefore

1 eb:mg 8

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2 allowed Mr. Wix to continue as managing director, and at  
3 the same time we also appointed the Senator of the Island  
4 as an associate director.

5 Q My question was a little narrower.

6 A Then later I found that what he told me wasn't  
7 true and that stock certificates could be issued at which  
8 time I asked Mr. Wix and he said yes, and I said, "Well,  
9 then, print them."

10 Q In what denominations were they printed?

11 A Beg your pardon?

12 Q In what denominations were they printed?

13 A I don't know. There was quite a stock of them. I  
14 would say about this much.

15 Q A pretty high stack?

16 A Yes. I put them in a briefcase.

17 Q Do you know where you lost them?

18 A They were never lost. They were misplaced in the  
19 office.

20 Q At the time of the events of the late March and  
21 early April period was the transfer of your stock to  
22 Barbara Landew and Stanley Amsterdam reflected in the stock  
23 register?

24 A I don't know.

25 THE COURT: You didn't do it?

eb:mg 9

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1 THE WITNESS: No, I didn't transfer them.

2 THE COURT: So you don't know?

3 THE WITNESS: No.

4 Q In response to his Honor's question, do you know  
5 whether entries were made in the stock register?

6 A Oh, now I can answer that.

7 The entry was made originally on the stock record  
8 in the name of Mr. Holzer, and to my best recollection, when  
9 the papers were signed to Mr. Amsterdam and Barbara, or  
10 Bobby, they were taking Mr. Holzer's position, and I don't  
11 believe that was ever changed on the stock records. At  
12 least I never saw the change in the name other than Holzer's  
13 name.

14 After that it got out of my hands.

15 Q Now, was there any discussion about changing the  
16 names to reflect the transfer of the certificates during  
17 the meetings held in St. Maarten late in March and early  
18 in April, 1971, in your presence?

19 A I believe there was at that time, yes, sir.

20 Q After those discussions about changing the name on  
21 the stock register, were the actual certificates located?

22 A They were located before that.

23 Q About how long before?

24 A A week or two before that, if I remember, because  
25

1 eb:mg 10

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2 I called his attention to it.

3 Q You called --

4 A Mr. Parness' attention; I said, "By George, here  
5 is this old briefcase laying around here." I opened it up  
6 and there were the stock r-cords, the stock certificates.

7 Q And were these stock certificates then destroyed  
8 after an entry was made in the stock register?

9 A I don't know whether they were destroyed before or  
10 after.

11 THE COURT: When these stock certificates were  
12 found, Mr. Goberman, at that time had the shares been  
13 placed with Mr. Holzer?

14 THE WITNESS: Oh, yes, the shares were placed with  
15 Mr. Holzer; yes, sir.

16 THE COURT: All right.

17 Q And in lieu of or without the physical presence  
18 of the shares which had been misplaced, an etnry was made  
19 in the stock register book reflecting the fact that they were  
20 pledged to Mr. Holzer, is that right?

21 A Not in lieu of but in addition to the fact that  
22 I might have given him stock certificates. I didn't have  
23 them to give to him.

24 Q Now, in answer to questions a little while earlier  
25 this afternoon, I believe you talked about the fact that

1 eb:mg 11

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2 I had not calculated for interest and other charges on  
3 bank loans and the mortgages, do you recall that?

4 A Ye, sir.

5 Q Mr. Goberman, when did you obtain the land Antillean  
6 mortgage of approximaely a million and a half dollars?

7 Q Mr. Cohn, I have been waiting for that question  
8 because somehow you have left the impression that it would  
9 not --

10 MR. COHN: Your Honor, may I just have an answer  
11 to the question as to when he--

12 THE COURT: Yes. You told us that there was a  
13 mortgage given I think by the Antillean Government, is that  
14 correct?

15 THE WITNESS: Yes.

16 THE COURT: About when was that, sir?

17 THE WITNESS: The mortgage papers were given at  
18 one date but the actual take-down of the money took almost  
19 a year.

20 THE COURT: All right, give us the date the mortgage  
21 papers came out and give us the date when the money was  
22 forthcoming.

23 THE WITNESS: I am trying to think now.

24 I don't remember the date of the mortgage. I'm  
25 sure the mortgage document is here some place in this

1 eb:mg 12

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2 courtroom.

3 Q Well, you went down there in 1967. We have this,  
4 whichever one it is, we have March 30th, 1968, the turnkey  
5 agreement, the note to you on July 15, 1968 for three and  
6 a half million.

7 Now, with reference to those dates, approximate  
8 for us, give us your best recollection as to when the  
9 mortgage papers were executed and as to when the mortgage  
10 money was first taken down.

11 Some time in 1968?

12 A No, sir.  
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ebbr 1                      Goberman-cross

Q     Were the mortgage papers executed in '68?

A     I don't think so.     I don't want to say for sure but I do know that it took me almost a year to get these funds. They were given to me in construction mortgage payments of 200,000 guilders each.

Q     When was the first payment made approximately?

A     I don't know.     I would have to have my records.

Q     Were they made from time to time prior to the completion of the hotel in the end of 1969?

A     I would think they started -- yes.     I didn't quite get my final payment until the hotel was almost built.

Q     Which would be around December of 1969?

A     I believe that would be correct.

Q     So at various times prior to December 1969 there had been partial payments under this Netherlands Antillian mortgage to total of which ultimately came to around a million and a half dollars?

A     That's right, sir.

Q     Now isn't it a fact, Mr. Goberman, that you never paid one dime of interest or principal repayment on this mortgage?

A     The way you put it it sounds very ominous but not quite the way you put it.     There was no principal -- now just a moment, please, Mr. Cohn.     The mortgage calls for no

1 ebb 2

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2 principal payments. There is a moratorium on interest  
3 payments.

4 Q Does it call for interest payments?

5 A To be paid every six months.

6 Q Did you make them?

7 A I didn't make them because I told them I wasn't  
8 going to make them and I went down to Curacao with the Senator  
9 and we had decided, in view of the fact that they have also  
10 had moratoriums on interest payments in order to induce  
11 American businessmen to open businesses down there that they  
12 let those payments go until which time I felt prepared to  
13 do it because we felt at that time we could use the money  
14 to better purposes.

15 Q You felt you could use the money for better  
16 purposes?

17 A Yes. The government was willing to wait for their  
18 interest. There was no pressure whatsoever put on me to pay  
19 that interest.

20 Q Now, tell me when the mortgage, the other mortgage,  
21 the other large mortgage, was obtained from the Bank of  
22 Nova Scotia?

23 A I don't know what you mean by "large mortgage".

24 Q Was a mortgage in the amount of a million and  
25 a half dollars from the Bank of Nova Scotia concerning which

ebbr 3

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you testified you took down half or \$750,000?

A That is correct.

Q When was that mortgage obtained?

A That mortgage was finalized. This was also done in partial payments and that mortgage was finalized, I believe, in December of 1969. I received the last payment of a little over a hundred thousand dollars.

Q That would be prior to December 1969? In or about --

A I believe it was around 1969 because --

Q All right. I have your answers.

A What is my answer?

Q I understand your answer to be that as of December 1969 you had received a total of approximately \$750,000 from the Bank of Nova Scotia on a mortgage?

A I didn't say that.

Q Well, would you correct me then, please.

A Yes. I could not receive all the money because the Bank of Nova Scotia hadn't as yet opened their branch and my mortgage was contingent upon them opening the branch. The moneys I did receive from them came from their Toronto office.

Q Be it as it may, did you receive, or had you received approximately \$750,000 from the Bank of NOva Scotia be it the Toronto office or some other office by about

1 ebbr 4 Goberman-cross

2 December 1969?

3 A By about that time I receive a million and a half  
4 dollars from them, Mr. Cohn.

5 THE COURT: Well, I'm a little confused on that but  
6 I thought that as I understood it earlier, the Bank of Nova  
7 Scotia mortgage was a million and a half, and I thought  
8 I understood that only 750 was drawn down.

9 THE WITNESS: No, sir.

10 THE COURT: That's wrong?

11 THE WITNESS: Well, it is wrong and it is right.

12 THE COURT: Well, my recollection was that you  
13 had a commitment for a million and a half but you only drew down  
14 \$750,000?

15 THE WITNESS: The commitment called for receiving  
16 a letter of credit from the American Bank & Trust Company to  
17 cover this \$750,000 principal payments over a period of  
18 five years.

19 The bank, the American Bank & Trust Company had  
20 promised me that they were going to supply me with a letter  
21 of credit of \$750,000 when the time came to draw the balance  
22 of the money down, the American Bank advised me that they would  
23 not give me the letter of credit.

24 Q So the long and short of this is, as I said a  
25 few minutes ago, by December of 1969 you had received funds

1 ebbr 5 Goberman-cross

2 approximating \$750,000 from the Bank of Nova Scotia?

3 A I also received the other \$750,000 which I then  
4 gave to the American Bank & Trust Company as collateral  
5 against a letter of credit.

6 Q Isn't it a fact that with reference to the mort-  
7 gage of the Bank of Nova Scotia you never paid them one penny  
8 in principal or interest payments either?

9 A Well, I don't remember that.

10 MR. MC GUIRE: I object. He is trying to make this  
11 some kind of evil conspiracy.

12 THE COURT: I will sustain the object to that  
13 question. You can reply as to whether you did make any pay-  
14 ments on the interest on the Bank of Nova Scotia.

15 THE WITNESS: I don't remember whether they did or  
16 not. The people operating the hotel for me should have done  
17 it.

18 Q Mr. Goberman, isn't it a fact that far from  
19 agreeing to your non-payment of interest on the mortgages  
20 both the central government and the Bank of Nova Scotia  
21 threatened to close you down?

22 A That is not a fact and that is an incorrect state-  
23 ment.

24 MR. MC GUIRE: I object. What difference does  
25 it make?

1 ebbr 6 Goberman-cross

2 THE COURT: He said no. He answered it.

3 Q Mr. Goberman, referring to your June 9, 1971  
4 deposition, were you asked the following questions and  
5 did you give the following answers?

6 THE COURT: Wait a minute. I want to be sure  
7 he knows what you are talking about.

8 MR. COHN: All right, your Honor.

9 Q I am talking about the very same deposition  
10 we talked about earlier this afternoon, the one you gave  
11 at the office of Morgan, Lewis and Bachus, 123 South Broad  
12 Street, June 9, 1971. That was the one where Mr. Rubin was  
13 present, do you recall that?

14 MR. MC GUIRE: Your Honor, I object.

15 THE COURT: Well, I don't know. It doesn't seem  
16 to me that we are trying Al Goberman here as to whether he  
17 did or didn't make interest payments.

18 THE COURT: If it relates to the interest payments  
19 I will let him answer that.

20 Q Do you recall that deposition, sir?

21 A Yes, I recall the deposition.

22 Q Were you asked the following questions and did you  
23 give the following answers:

24 "Q How was the financing obtained for the construction  
25 or completion of construction?

1       ebbr 7                               Goberman-cross

2           "A     Well, as you know, there was a first mortgage of  
3     a million and a half.

4           "Q     Who was the mortgagee?

5           "A     The government, the central government. Then  
6     there was a second mortgage of a million and a half.

7           "Q     Who was the mortgagee?

8           "A     The bank, the Nova Scotia Bank.

9           "Q     Is that mortgage current now?

10          "A     There is nothing current that I know of.

11          "Q     Do you know if the last payment --

12          "A     No, I don't. I don't think any of the mortgages  
13     are current.

14          "Q     Can you remember when the last payment was made  
15     on either of the mortgages?

16          "A     I don't think any payments were made.

17          "Q     Any payments at all?

18          "A     No.

19          "Q     Either principal or interest?

20          "A     Right.

21          "Q     The best of your knowledge is that no payments  
22     were made?

23          " A     Correct.

24          " Q     Do you know what **steps** have been taken either  
25     by the central government or the Bank of Nova Scotia to foreclose

1 ebb 8

Goberman-cross

2 or take other proceedings with respect to the mortgages?

3 " A I don't know what they have done lately.

4 I know they kept threatening and threatening all along. I

5 just told them we would do the best we can --" did you give  
6 those answers to those questions?

7 A Yes, I did. There's a reason for all this.

8 THE COURT: Never mind the reasons.

9 Q Now, as of June, 1971, some two months or so  
10 after the Hotel Corporation was taken over pursuant to the  
11 pledge to Barbara Landew and Stanley Amsterdam --

12 MR. MC GUIRE: I object to that. Mr. Goberman  
13 testified that that's not how it was taken over at all.  
14 No foundation for that kind of question.

15 THE COURT: I am afraid I didn't hear it. Read  
16 it, please.

17 (Question read.)

18 MR. COHN: Pledge was the next word.

19 THE COURT: I think you better rephrase that  
20 question.

21 MR. COHN: All right, your Honor.

22 THE COURT: I think you testified before that,  
23 Mr. Goberman. Did the time come when Barbara Landew and  
24 Stanley Amsterdam did take action with respect to the stock  
25 in the hotel which they held as security for the loan?



1           ebbr 9                           Goberman-cross

2                   THE WITNESS: Yes, sir. I testified to that  
3 before.

4                   THE COURT: You testified to that before.  
5 All right.

6           Q       Approximately two months after that, is that a  
7 fact that the Hotel Corporation, to your knowledge, was in  
8 bad shape financially?

9           A       If it was in bad shape --

10          Q       No. My question was, do you know, to your knowledge,  
11 was the Hotel Corporation in bad shape?

12          A       Mr. Parness wouldn't allow the money to go into  
13 the hotel that he collected.

14                 THE COURT: Well, you are saying that it was in  
15 bad shape?

16                 THE WITNESS: I certainly wouldn't know what shape  
17 it was in at that time.

18          Q       In the same deposition from which we have been  
19 reading were you asked the following two questions and did  
20 you give the following answers;

21                 "Q   Do you know what the approximate debits of the  
22 Hotel Corporation are as at the present time?" That's  
23 June 1971.

24                 "A   No.

25                 "Q   Do you know to the nearest million dollars?

1 ebbr

Goberman-cross

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2 "A I know they are in bad shape."

3 Is that an accurate answer?

4 A No, I wouldn't say it is an accurate answer.

5 Q Your answer wasn't accurate?

6 A It is an answer.

7 Q Your answer was an answer but necessarily not  
8 accurate?9 A Under the circumstances that that deposition was  
10 taken it was not an accurate answer. And if I can't explain  
11 the deposition, then I will accept whatever you say it is  
12 that's on there.13 Q Is there something that you want to tell us that  
14 distinguishes this deposition?

15 THE COURT: No, he doesn't want to do that.

16 A I don't want to be involved in this right now.  
17 You told me that the bank's --18 THE COURT: Please, you said you didn't want to  
19 get involved.20 THE WITNESS: All right. There's no use in get-  
21 ting involved in it.22 MR. COHN: Your Honor, I don't know what time  
23 you are stopping. I could go on to a new topic.24 THE COURT: Well, I think it is after  
25 four and we will adjourn now. We will resume tomorrow

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1 ebb 1

Goberman-cross

2 THE COURT: All right, Mr. Cohn, you may proceed.

3 MR. COHN: Thank you, your Honor.

4 CROSS EXAMINATION CONTINUED

5 BY MR. COHN:

6 Q Mr. Goberman, do you recall that some members of  
7 the jury had submitted to his Honor a question which was  
8 substantially as follows:

9 "Q How does a junketeer get paid?"

10 Do you recall that?

11 A Yes, sir.

12 Q Now, I want to address myself to that subject.

13 Would you tell us again, how does a junketeer, or how did  
14 a junketeer get paid during your days at the St. Maarten  
15 Isle Hotel Corporation?

16 A They received 10 per cent of the winning, of the  
17 net winnings of the casino, and in some cases they received  
18 what they called \$50 a head. \$50 for each man that they  
19 brought down.

20 Q Was that in addition to the 10 per cent?

21 A Yes, sir.

22 Q When you say 10 per cent of the winnings of  
23 the casino, what do you mean? Was an accounting rendered  
24 to junketeers or was the winnings as to that particular junket  
25 which they had supplied?

ebbr 2

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1  
2 A When the junket arrived, there was a sheet made  
3 up with the names of all the people in the junket.

4 THE COURT: Did you only have one junket at a  
5 time?

6 THE WITNESS: Yes.

7 Q And when they came there was a sheet made up with the  
8 names of the guests or the passengers on the junket, is that  
9 correct?

10 A That is correct.

11 Q And that sheet would indicate what?

12 A That would indicate how many people were there, how much  
13 front money they put up, how much money they one or lost,  
14 and whether the money that they lost was to be picked up and  
15 delivered in New York.

16 Q And was the front money given by cash or check  
17 or both?

18 A It might have been both.

19 Q All right. Now, by the way, is a fact that some  
20 of the checks given by members of these junkets for front  
21 money bounced?

22 A Yes. You never had a hundred per cent collection.  
23 You always had some bad checks.

24 Q There was never a hundre per cent collection?

25 A Very rarely.

1 ebb 3 Goberman-cross

2 Q As a matter of fact, there were -- the Hotel  
3 Corporation had some problems with the Bank of Nova Scotia over  
4 the fact that a number of these front money checks weren't  
5 good, haven't you said that previously?

6 A No, I didn't, and that is not correct.

7 Q haven't you testified previously that it got to the  
8 point that the Bank of Nova Scotia was on the hook for  
9 some \$100,000 in bad checks?

10 A They were Mr. Parness' bad checks, not the bad  
11 checks of the -- if I testified to that, I believe --

12 Q By "Mr. Parness' bad checks" you mean bad checks  
13 as a result of customers supplied by Mr. Parness?

14 A No, I don't mean that at all, sir.

15 MR. MC GUIRE: I object to that kind of a  
16 question, your Honor.

17 Q I am now referring to the deposition of Friday,  
18 June 9, 1972 in Philadelphia, a deposition I've asked you  
19 about from time to time.

20 A Yes, sir.

21 Q Now, did you say this:

22 THE COURT: Have you got the page reference?

23 MR. COHN: It is page 106.

24 Q "Now the checks. There was possibly \$5000  
25 worth of checks given to the casino on the island drawn on

ebbr 4                      Goberman-cross

checking accounts in the States by supposed gamblers.

'John, take these checks and tell him to cash them. We need the money to pay off \$5000. It isn't going to hurt anything, and let us make sure we make it good.'

"And 10 per cent of the check were bombs after they were put through. These grew from 5000 to 10,000 to 20,000 and all the time they made it good by issuing checks to either the travel agency" --

And there you were referring to Mr. Parness, is that right?

A     Beg your pardon?

Q     You were referring to Mr. Parness and to Barbie?

A     Yes.

Q     --"supposedly own Travel Time, and I forgot the name of his junket club, whatever it was.     Olympic?

"A     Olympic."

Now, is that substantially accurate?

THE COURT:     Do you recall giving that answer to that question?

THE WITNESS: No, I don't recall it word for word.

MR. MC GUIRE:     Would Mr. Cohn complete the answer, please.

MR. COHN: Yes. I will complete the answer down through the words "made good."

1 ebbr

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2 Is that satisfactory?

3 MR. MC GUIRE: Yes.

4 MR. COHN: "Olympic. It got to the point they  
5 were kiteing checks in order to cover the bad checks and  
6 at one time I understood poor Mr. Mac Donald sat there with  
7 \$100,000 worth of bad checks which they eventually made good."

8 Do you recall giving that testimony?

9 THE WITNESS: Yes, sir.

10 Q And the fact is that at one point Mr. Mac Donald,  
11 to your knowledge, had approximately \$100,000 in bad checks  
12 which weren't made good until a subsequent date?

13 A No, sir. They were Mr. Parness' bad checks.

14 Q Well, they were bad checks from gamblers, weren't  
15 they?

16 A They were bad checks of whoever issued those  
17 checks, whether it was on Travel Time, or whether it was  
18 Olympic. He gave his checks to the bank.

19 Q Right.

20 A Then he was going to take the checks that were  
21 given to him by the gamblers into New York in order to cash  
22 them.

23 Q And some of those checks given by the gamblers were  
24 bad?

25 A Only about 10 per cent of them were bad. He was

1 ebbr

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2 kiteing checks. As a matter of fact he was kiteing his checks  
3 up to \$200,000 with the Bank of Nova Scotia, his checks.

4 Q Right. There was a substantial problem  
5 keeping --

6 A I beg your pardon?

7 Q There was a substantial problem keeping the casino  
8 in funds, was there not?

9 A There was a substantial problem to keep the  
10 casino in funds because the checks weren't returned to the  
11 casino where they belonged.

12 Q Now, Mr. Goberman, isn't it a fact that before  
13 Mr. Parness ever came on the -- into the picture succeeding  
14 Mr. Ferrara, you had trouble paying people who won at the  
15 casino?

16 A No, that is not true, sir. That is not so.  
17 That is not the fact.

18 Q Isn't it a fact that you were threatened with the  
19 cancellation of certain junkets because of experiences  
20 junketeers told you?

21 A That is entirely incorrect.

22 Q No such thing ever happened?

23 A No, sir.

24 Q There was always enough money in the casino to  
25 make good?

A Yes, sir.



1 ebbr

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2 Q Now, you have estimated that the percentage of  
3 bad checks from gamblers was about ten per cent, is that  
4 right?

5 A To the best of my knowledge, I would say about 10  
6 per cent. And some of those were eventually collected.  
7 They were bad at the time.

8 Q Do you know, would some people gamble on a junket  
9 and sign what we call markers?

10 A Yes, sir.

11 Q And would those markers be sent up to New York  
12 for collection?

13 A Those markers were -- the responsibility of  
14 making those markers good fell upon the shoulders of the  
15 junketeer, whoever brought the people in. That's why  
16 they were given that \$50 a head.

17

18

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jhbr

Goberman-cross

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Q Were these markers physically sent up to the United States for collection?

A I don't really recall that particular phase of the operation.

Q Do you know for a fact what markers were collected and what were not collected?

A I did at one --

MR. MC GUIRE: I will object to that, your Honor. The question is too broad. If Mr. Cohn can specify times or particular markers concerned --

THE COURT: I think that is fair enough.

Mr. Goberman, could you recall now at any particular time what was outstanding on these markers?

THE WITNESS: If I had my reports I could.

THE COURT: You can't do it without your records.

THE WITNESS: No, sir, I could not do it unless I had the records. It would be too many transactions.

Q What I am interested in particularly, Mr. Goberman -- may be I could come to that -- I believe you testified on direct examination in this courtroom that around the time of the Holzer foreclosure, the threatened Holzer foreclosure, you thought there were \$350,000 of what you had been told were uncollected markers. Didn't you give that testimony?

1 jhbr

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2 A I don't believe I meant or said uncollected  
3 markers. Accounts receivable, yes. Not uncollectible;  
4 uncollected, to be collected.

5 Q That is what I said.

6 A Yes, sir. I didn't understand.

7 Q And you did so testify?

8 A Yes, sir.

9 Q Would you please tell the jury how you arrive  
10 at that figure of \$350,000?

11 A I was given certain records of the casino oper-  
12 ation that gave me those figures.

13 Q Did you make notes --

14 THE COURT: I am not clear, Mr. Goberman,  
15 what you mean by uncollected markers. What do you mean  
16 by that?

17 THE WITNESS: When the records were given to me  
18 on the island this money was supposed to have been or will  
19 be collected in New York or wherever the junketeers came  
20 from.

21 THE COURT: You mean you were informed by the  
22 junketeers that they hadn't collected 350,000?

23 THE WITNESS: No, no, sir. This is where he con-  
24 fused me also.

25 No. I had copies of the work sheet of the junket.

jhbr

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1  
2 which at that time would show how much was won or lost and how  
3 much was to be, to use the term, picked up, collected, which  
4 means within no more than ten days after the people leave the  
5 island.

6 Q You had no way of knowing whether, to use your  
7 word, these markers were collectible or not collectible,  
8 did you?

9 A Yes, I did.

10 Q How?

11 A I did on all those until Mr. Parness came there and  
12 when Mr. Parness took over he would not give me the  
13 information that I desired and I just had to -- all I had to  
14 work on was the amount of money due to the casiono.

15 Q Do I understand your testimony correctly to be then  
16 that in your dealings with Mr. Parness you relied on the  
17 money that was actually sent down or the money that was  
18 actually due the casino and that you did not obtain from  
19 him or anyone else knowledge of just what markers were in  
20 fact collectible and what were not? Is that fair?

21 A Sometimes I ran across that information. As a  
22 whole, I was not told.

23 Now, when I said there was about \$350,000 to be  
24 collected I made allowance for 10 per cent. Actually  
25 the gross was more than 350, it was closer to 400,000.

1 jhbr

Goberman-cross

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2 Q Mr. Goberman, can you give us some substantiation  
3 for those figures which are of importance to us?

4 A Yes.

5 Q Would you please?

6 A I don't have these records. The records are in  
7 the court here.

8 THE COURT: As I understand it, this figure came  
9 out from the time when you examined the records and this was  
10 the figure you arrived at from examination of the records.

11 THE WITNESS: I had the actual copies of the records  
12 and they are in the courtroom now.

13 Q They are in the courtroom now?

14 A Yes, they are, or they should be.

15 Q May I trouble you, depending on his Honor's in-  
16 structions -- whether it is now or during a recess certainly  
17 would be agreeable -- if you could tell us what you state  
18 is the factual basis for your arrival at this \$350,000 or  
19 \$400,000 figure as to markers which you say were due  
20 and collectible around the time --

21 THE COURT: I think it would be fair if Mr. Gober-  
22 man were given an opportunitith to look at these records if  
23 they are in the courtroom. I don't know about the collect-  
24 ible, but he could tell us how he arrived at this figure of  
25 \$350,000.

jhbr

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You think you could do that if you had a chance --

THE WITNESS: Yes, sir, very simply.

MR. MC GUIRE: If it will save time, your Honor, I think the records Mr. Goberman is referring to are Exhibits 167 through 177 for identification, copies of which Mr. Cohn has. Exhibit 167 is in evidence. I am handing those exhibits to Mr. Cohn.

Q Would you look at these, and if you require more records, would you tell us about it.

THE COURT: Is it possible for you to look at those records now or would it take you a little time to look at the records?

THE WITNESS: No, sir. I had seen these and these are the records I was referring to. They are not all here, but based on even these I came to that figure.

THE COURT: Can you tell us in a general way about those records and how you came to reach that figure?

THE WITNESS: Yes, sir. This is marked I think 167 and this covers the workings of a junket marked Olympic Sport, Parness, Detroit, in 10-11-1970 and out 10-14-70. I have here the names of the players.

Q I don't want you to read us all the names.

A No, I am not. I just want to get to a total.

Q I am just about to ask you a question.

jhbr

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A Yes, sir.

Q While you are looking at that exhibit, are there any large figures, is there any one particular figure which is much larger than the others?

A Yes. On this particular junket there is a large one.

Q Whose name is that? Is that a Mr. Selik?

A There are several large ones. There is a Sam Norber.

Q How much for Sam Norber?

A \$10,500, and he had put up \$1,000 front money and therefore there was 9500 to be picked up.

Q That means he had put up X dollars front money?

A Put up \$1,000 front money.

Q And he had lost 9,000 some odd dollars more than the front money he put up?

A Yes, sir. He lost a total of \$10,500, and he naturally received credit for the \$1,000 that he put up as front money, so he owes \$9,500, which could be paid at the casino either by himself or by the junketeer or would be picked up.

THE COURT: When you say "would be picked up," those would be markers, am I correct?

THE WITNESS: Well, he owes \$9500 and he gave

1 jhbr

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2 notes or markers for it, yes.

3 THE COURT: Markers, would that be IOU's?

4 THE WITNESS: Yes, sir.

5 Q On that subject, in your experience, this marker  
6 was like an IOU, was it not?

7 A Yes, sir.

8 Q If the gambler paid the money he got back the  
9 IOU?

10 A Yes, sir.

11 Q Are there any other names?

12 A Yes, sir. You of course know that Mike Selik lost  
13 \$57,000. I believe that is what you are alluding to.

14 Q Thank you.

15 A And he had put up \$2500 as front money and his  
16 pickup was 54,500.17 Q Between Norber and Selik on that one junket we  
18 have a total of \$64,000 still owed?19 A That is correct, yes, sir. They were very big  
20 gamblers.21 Q By the way, were they down there on other occasions  
22 besides this one junket?

23 A Yes, sir.

24 Q Do you include the \$60,000 due from Norber and  
25 Selik in the \$350,000 figure you gave us in your testimony



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MR. MC GUIRE: Objection to the form.

THE COURT: I sustain the objection to the form.

But I think the witness can answer, when he reached this figure of \$350,000, were these figures included with respect to these two people?

THE WITNESS: I took the figures as they were.

THE COURT: All right.

THE WITNESS: And it came to \$400,000 and I allowed 10 per cent for immediate collectibility.

THE COURT: For immediate collectibility?

THE WITNESS: Yes, sir. The money will eventually be collected.

THE COURT: In other words, in response to Mr. Cohn's question, these two figures from these two people were included in your maining your estimate?

THE WITNESS: Yes. Their names meant no more to me than the others. It was a complete junket.

Q Before you leave Selik and Norber, can you tell us now, can you approximate for us now how much of gambling debts by Selik and by Norber you included in the \$350,000 figure?

I understand that on this one occasion you have mentioned we have 9500 due from Norber, 54,500 due from Selik. I would now ask you, counting also other oc-

jhbr

Goberman-cross

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casions on which they had lost money which had not been collected, what can you tell us as to the approximate total amount due from these two gamblers?

A I would have to go through all these sheets here.

Q I thought possible in view of the large amount --

A Not necessarily. These people were good for it and I wasn't concerned about it. They were strongly recommended by Mr. Parness as being big gamblers and as a matter of fact they owned an illegal gambling institution of their own in Detroit. I of course asked Mr. Parness why he gave people like this this kind of credit. They are good. I have known them for years and I don't want to go into their background.

THE COURT: You say you could look through those various sheets and come out with how much of this \$400,000 represented their indebtedness?

THE WITNESS: Yes, sir.

THE COURT: I suppose the jury and I would be interested. Did they ever win, were there any offsets?

THE WITNESS: I would say that Selik was a gambling maniac. When he won he just -- he was a masochist. He loved to lose. He had a successful night if he lost.

THE COURT: That is not like the jury and myself. We are not in that position, I don't think.

jhbr

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A I have here a later date where he lost 15,000 again, Selik 15,000. At that time he was so well regarded that he didn't have to put up any front money.

Q How much was that?

A \$15,000.

Q Is that Selik?

A That is Selik, yes.

Q All right.

A I can give you the rest of these.

This is a New York group and therefore they wouldn't be on this.

Here is another New York group and they wouldn't be on this.

THE COURT: I think they must live better in Detroit than we do in New York.

A This was the Landsman group.

Here is the Ned Feldman group.

Q For the moment, I would appreciate it if you would stick to Selik and Norber.

THE COURT: I take it these people would only be in the Detroit group?

THE WITNESS: That's right. I am just sort of talking to myself when I see the Fedlman group. Therefore, they wouldn't be on this.

jhbr

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A Here is Selik again on a later date, in  
12-16 and out 12-20. He had a credit line of 10,000, but  
he didn't win or he didn't lose. I believe there was an  
argument and he refused to gamble.

THE COURT: Never mind all that. He came out  
even?

THE WITNESS: He didn't gamble. It shows no  
activity.

A This is not Detroit.

There are some missing. This is all I could  
get my hands on.

eot 2a

2B am 1 jh:mg 1

Goberman-cross

2 Q Do you have a recollection independent of that  
3 that that, say, Sam Norber did owe moneys in addition to the  
4 \$9500?

5 A I didn't find his name in general.

6 THE COURT: So you don't recall now?

7 THE WITNESS: No, I don't recall, no, sir.

8 Q How about Selick? You have given us a total of  
9 \$69,500.

10 A I thought his total was around \$74,000.

11 THE COURT: That \$74,000 would be out of that  
12 \$400,000 figure you were talking about?

13 THE WITNESS: Yes, sir.

14 Q Taking Mr. Selick for a moment, if the fact should  
15 develope that none of the \$74,000--

16 MR. MCGUIRE: Oh, no. I object to that.

17 THE COURT: I don't know what he is going to  
18 say.

19 MR. MCGUIRE: It is a hypothetical question right  
20 from now.

21 THE COURT: I don't quite understand the question.  
22 As I understand it, the witness has testified that in making  
23 this \$400,000 estimate he included these figures from these  
24 records and perhaps some others that he has not got the  
25 records of. But he certainly included the 74.